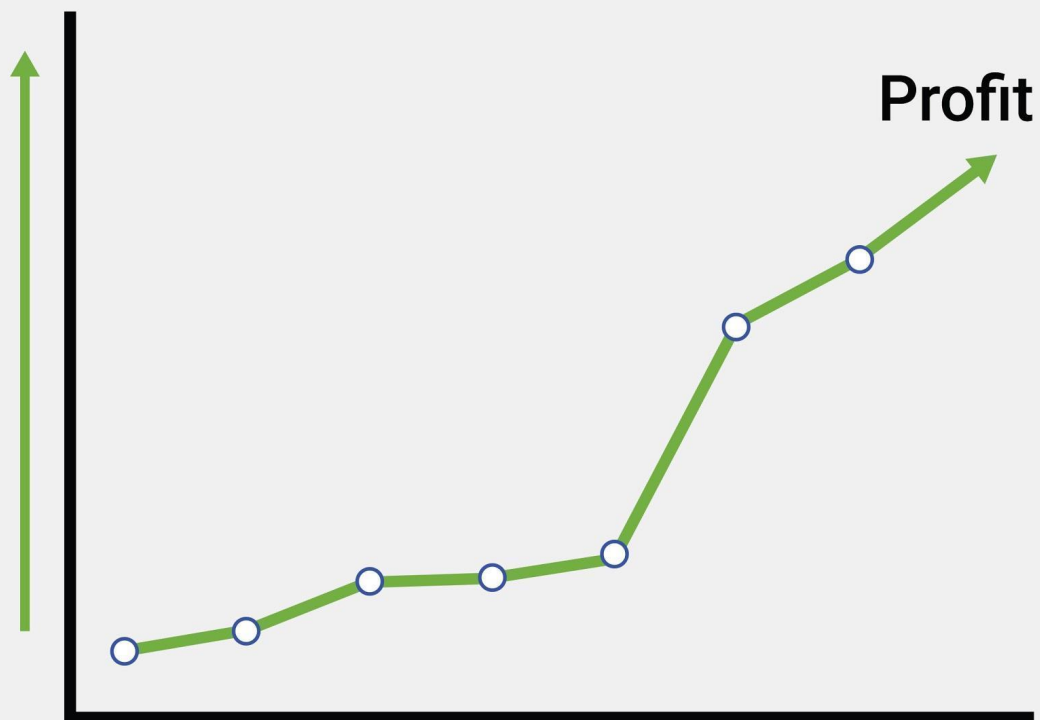


# The PPC Multiplier Method

The fastest and most reliable way to multiply your PPC profits



STEVE GIBSON

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# Introduction

They didn't expect much.

When KashFlow hired me, they'd already been advertising on Google for 8 years. They'd worked with two very well-regarded PPC agencies. They had good results, but hoped I could do a little bit better.

**Within 7 months, I'd increased their AdWords profits by 643%. The company was then sold for £20 million ... double its valuation just 12 months earlier.**

## How did I do it?

I used a strategy I call *The PPC Multiplier Method*.

And, in this book, I'm going to teach you that strategy so you can use it to grow your own profits.

Best wishes.

Steve Gibson

## Why I wrote this book

Google Ads has been around for a long time. I myself have been managing PPC accounts since 2006. I know people who've been doing it even longer.

But, for some reason, the industry is still stuck in the "tactics and techniques" mindset. Very little gets written - or said - about strategy.

But, in my experience, strategy is the most powerful lever we have if we want to increase our Google Ads profits by leaps and bounds.

And that's what this book is about. It's going to show you a strategy you can use to get...

- ✓ 8-15 times more website visitors...
- ✓ 15-30 times as many sales...
- ✓ 33-50% lower cost per conversion...
- ✓ 25-100% more revenue per customer...
- ✓ 400%-1,000% higher profit

I've been using this strategy for over 10 years. And I believe it's the fastest and most reliable way to grow your PPC profits.

## How this book is organised

This book can be broken up into four sections.

The first few chapters explain "how the game is played." By understanding the "rules" of PPC, you'll understand why standard approaches to PPC produce mediocre results.

The second section reveals the PPC Multiplier Method. You'll see how it focuses on the #1 most important metric...the one metric that can get you an unassailable advantage over your competitors.

Section three gets into the nuts and bolts of implementing The PPC Multiplier Method. I'll tell you about what's worked for me and my clients.

And, finally, section four covers some “PPC techniques” like bidding options, keyword strategies and competitor analysis.

# Chapter 1: The Benefits of Domination

**“The Rich get Richer, that's the law of the land” – Glengarry Glen Ross**

A study by Harvard Business School showed that,

“As market share increases, a business is likely to have a higher profit margin, a declining purchases-to-sales ratio, a decline in marketing costs as a percentage of sales, higher quality, and higher priced products.”

Or, to put it in plain English: the rich get richer.

That's because, as you overtake competitors, you'll gain a whole heap of advantages that allow you to pull even further ahead, such as...

- Better economies of scale.
- Lower prices from suppliers.
- Better brand awareness, leading to higher trust, resulting in higher click rates and conversion rates.
- More online reviews.
- More word-of-mouth traffic.
- More website/customer data.

With search engine marketing, the differences between winners and losers can be even greater:

- 8 – 15 times as many website visitors
- 50% - 100% higher conversion rate
- 15 – 30 times as many customers
- 33% - 50% lower cost per acquisition
- Up to 30% higher margins per sale (ignoring marketing costs)
- Even higher increases in profit per sale (due to lower marketing costs)
- 25%- 100% more repeat sales per customer

And all of these add up to the one thing that matters: Far higher profits.

Over the coming chapters, I'll explain why these differences are so great... and, of course, how to become one of these dominant companies in your market.

## **Chapter 2: The Importance of Search Engines Today**

British people are the most frequent online shoppers in Europe.

In 2018, 18.2% of all retail sales were online.

But, even if you're not in ecommerce, the internet is important.

A 2014 study reported by Adweek revealed that "81% of shoppers conduct online research before buying."

And, in business-to-business, the number is even higher: "94 percent of B2B buyers research online for purchase decisions." (Acquity Group, 2014)

And where did they do this research? 77% did it on Search Engines.

So the message is clear: for most of your potential customers, if they can't find you on search engines, you don't exist.

And, in the UK at least, when we say search engines, we mean Google – because Google has 86.3% of the UK search engine market.



## Chapter 3: Google - What Gets Clicked On

Most website owners think that organic (i.e. “free”) listings attract the most clicks.

Technically, that’s true. A 2014 study concluded that, “71.33% of searches resulted in a page one Google organic click.”

But, if you’re trying to do business online, that’s the wrong way to look at it.

Here’s why...

Most searches are non-commercial – i.e. there’s zero chance of the searcher spending any money as the result of doing that search.

So, as digital marketers, those searches don’t interest us.

We care about what happens when someone searches with commercial intent.

And that’s true whether we’re doing PPC or SEO.

A few years ago, Wordstream conducted a study. They found that, for highly commercial search terms:

- Paid ads took up 85.2% of the above-the-fold pixels
- Paid ads received 64.6% of the clicks
- Organic listings only had 14.8% of the above-the-fold pixels, and 35.4% of the clicks

So, when it comes to commercial searches, paid listings - i.e. ads - get around 2/3 of the clicks.

This tells us that, if you want to dominate, SEO isn’t going to do the job. You need to be using paid advertising, otherwise you’re surrendering 2/3 of the market without a fight.

### **The importance of the top of the page**

In the search results, Google runs text ads in 2 positions: top of the page and bottom of the page.

These two areas of the page get very different click rates. In fact, ads at the top will typically get 8-15 times the click rate of ads at the bottom.

Which means, if your ads are showing at the bottom of the page, you're automatically missing out on 88% - 94% of the market.

And, of course, you can't dominate a market with 12% (at best) market share.

So, if you want to be dominant, you've got to appear in one of those top slots.

But, before we get on to how to do this, I need to explain how Google ranks ads.

Because, once you understand that, you'll understand the rules of the game you're playing.

(And how you can get above your competitors, despite bidding less!)

## Chapter 4: Understanding the Game – What Does Google Want?

To understand how Google Ads work, we need to understand it from Google's side.

When Google first created AdWords, ads were ranked according to this formula: bid x click rate.

So, if a competitor was bidding £1.50 and had a click rate of 1%, and you were bidding £0.80, but had a click rate of 2%, your ad would show above his.

### Why did Google do this?

Let's look at Google's perspective: they are, for all intents and purposes, a web publisher. They're a web publisher who makes money by giving free content and placing ads on the pages next to that free content.

Basically, just like a blogger.

So, let's imagine we're bloggers and we want to maximise our ad revenue, what would we do?

Simple: we'd show the ads that make us the most money.

And that's what Google was doing: bid x click rate = how much money Google earns from that ad.

To go back to our previous example, every 1,000 times the competitor's ad was shown, Google would make

$$£1.50 \times 1\% \times 1,000 = £15$$

While, for every 1,000 impressions, your ad would earn Google:

$$£0.80 \times 2\% \times 1,000 = £16$$

So your ad makes Google more money, and therefore would be shown higher.

That's the old way Google did it. But in 2005, things changed...

## Google had a problem

Back in the mid-noughties, AdWords ads had a poor reputation. They were seen as spammy and less credible than the organic listings.

And, because of this, many searchers wouldn't click on them.

Google realised, if they could improve the quality of the ads, click rates would go up and they'd make more money.

## Introducing Quality Score

So, in 2005, Google introduced something called "Quality Score".

Quality is a score out of 10, based primarily on 3 factors:

- (1) Expected Click rate
- (2) Ad relevance
- (3) Landing page experience

It's probably simplest to think of Quality Score as a mark out of 10 Google gives you for popularity and relevance.

No-one outside of Google knows exactly how Quality Score works – and there are a lot of incorrect assumptions. But because we understand what Google wants, we can make some safe assumptions, namely...

**Assumption#1:** If Google thinks your landing page is poor quality, they won't want to show your ad.

**Assumption#2:** If Google thinks your ad isn't relevant to the search term – i.e. what the searcher typed into Google – then they don't want to show it.

Introducing Quality Score has, generally, been a success for Google. By forcing advertisers to be more relevant – and to be more transparent in how they do business – clicking an ad is now little different to clicking an organic listing.

Google has raised the reputation of the ads. And, as we saw, the ads now get the majority of clicks for commercial searches.

So let's look at how this formula works...

## Chapter 5: How Google Now Ranks Ads

Google's new formula for ranking ads is: bid x Quality Score.

Let's look at how this works, by using an example where there are just 3 advertisers:

Advertiser	Bid	Quality Score	Ad Rank
A	£1.00	7	7
B	£1.50	4	6
C	£0.90	8	7.2

In this example, advertiser C would show at the top, followed by advertiser A, followed by advertiser B.

So, even though advertiser C is bidding the least, he gets the best position. And, the highest bidder – advertiser B – is placed last.

### How much you actually pay per click

The amount you'll pay for a click isn't the amount you bid. It's a lower amount.

What you pay is:

The bid of the advertiser below you x their Quality Score / your Quality Score.

Don't worry, I'm going to explain this...

Going back to our previous example, the advertisers were ranked like this:

Advertiser	Bid	Quality Score	Ad Rank
C	£0.90	8	7.2
A	£1.00	7	7
B	£1.50	4	6

So the top advertiser, C, would pay:

$$£1.00 \times 7 / 8 = £0.875$$

The middle advertiser, A, would pay:

$$£1.50 \times 4 / 7 = £0.855$$

And advertiser B would pay some amount set by Google.

In the next few chapters, I'll go into how you can maximise quality score. But let's start by looking at how Quality Score impacts your marketing costs...

## Chapter 6: Quality Score – How To Buy Clicks At A Discount

As you've seen, a higher Quality Score can do one of two things:

- (A) It can move your ad to a higher spot on the page.
- (B) It can allow you to pay less for your current spot on the page.

How much less?

Imagine you were bidding £1 and had a Quality Score of 5/10. How much would competitors have to bid to match your ad rank?

Their Quality Score	Bid Required
1	£5.00
2	£2.50
3	£1.67
4	£1.25
5	£1.00
6	£0.83
7	£0.71
8	£0.63
9	£0.56
10	£0.50

As you can see, the rewards for high Quality Scores – and punishment for low quality scores – can be significant...

- Just going from 5 to 7 lets you pay almost 30% less for the same ad positions.
- Conversely, dropping from 7 to 5 would force you to increase your cost per click by over 40% if you want to stay where you are on the page

As you can imagine, it's hard to be one of the dominant advertisers in your market if you're paying 40% "tax" – or more - on your bids.

That's going to kill your profitability.

So let's look at how to make sure you get the best possible Quality Score, starting with ad relevance...



# Chapter 7: Quality Score factor #1 – Ad Relevance

Google wants ads to appear relevant to the searcher. Because, if they're relevant, they're more likely to get clicked.

So Google parses the text of your ads and decides whether that text relates to the searcher's intent.

That seems fair... except they're not particularly good at this.

Brad Geddes, one of the world's leading PPC experts, shared a story: He'd just published a book about Google AdWords and decided to run ads to promote it.

When his ad mentioned "testimonials", he got a Quality Score of 3/10. When he changed "testimonials" to "reviews", the Quality Score went up to 10/10.

This shows two things:

First, that Google often does a poor job of understanding ads – and how easy it is for an advertiser to suffer as a result.

Second, that ad relevance can cause a difference in Quality Score of 7 points.

Some PPC experts believe quality score is the sum of your click rate score, your ad relevance score, and your landing page score. They also believe that, of these 3, click rate has the highest weight.

But Geddes' story proves that's not the case. And, in the next chapter, I'll share a similar story about landing page quality.

So my own belief – based on experience – is that there's a more complex arrangement. I believe low scores for ad relevance and landing page experience cap your possible Quality Scores.

## How to avoid ad relevance problems

Because Google has limited ability to evaluate ad relevance, it pays to give them a helping hand.

Here are a few rules to help:

**Rule #1:** Treat ad groups like *ad groups* – i.e. look at your keywords and ask, is this keyword relevant to my ad? If it isn't, move the keyword to a new ad group and write an ad that *is* relevant.

**Rule #2:** Use your keywords in your ad. You'll find ads whose text contains the keywords will usually get a much higher ad position – reflecting a higher quality score.

**Rule #3:** If you find an ad has a much lower ad position than the other ads in the ad group, it's often a sign Google thinks the ad is less relevant. In which case, you should usually delete it.

So that's ad relevance covered. Let's move on to landing page experience...

## Chapter 8: Quality Score factor #2 – Landing Page Quality

In the last chapter, I told you about Brad Geddes' problem with ad relevance.

I have a similar story about landing page quality...

A few years ago, I had a PPC client whose web designer carelessly added an extra headline to one of his landing pages. This extra headline was blank.

So the html looked like this:

```
<h1>&nbsp;</h1>
```

(&nbsp; is the html code for a space)

After doing this, his Quality Scores dropped from 7 to 3.

When this rogue headline was removed, his Quality Scores went back up to 7.

A couple of weeks later, the designer repeated this mistake. Quality Scores dropped to 3 – and, again, returned to their previous levels when it was removed.

How serious was this?

To put it in perspective, if we hadn't identified and fixed the problem, he'd have had to bid 133% more to retain his ad positions.

So, if he was paying £2/click, he'd now be paying £4.66.

Imagine that: imagine your cost per click more than doubled overnight. You wouldn't be thinking about domination, you'd be wondering whether you could compete in Google Ads at all.

So, as with ad relevance, Google isn't particularly good at correctly evaluating landing pages.

My advice is to try to give Google what it wants, but be on the lookout for pages where Google doesn't seem to "get it".

Google is looking at a handful of things:

- (A) Is the text on this page relevant to what the searcher searched for?
- (B) Is the user likely to find what he wants on this page?
- (C) Do users tend to stay on this site, or do they quickly jump back to Google?
- (D) Does the site behave in an honest and transparent way?
- (E) Are there trust issues with this site?
- (F) Does the page load quickly?

As long as your page does all these things – or, rather, Google thinks it does all these things – you’ll normally be fine.

So let’s move on to the third part of Quality Score...

## Chapter 9: Quality Score factor #3 – Click Rate

The third part of Quality Score is the click rate of your ads. Or, rather, how that click rate compares with Google's expectations.

Google understands that:

(A) Click rates vary hugely according to ad position. As I mentioned in an earlier chapter, ads at the top of the page get 8-15 times the click rate of ads at the bottom.

(B) For some keywords, ads get lower click rates. This is usually because they're less commercial, or because their "search intent" is ambiguous.

Google has to factor that in. So they compare your click rates to historic click rates for those keywords and ad positions. And that tells them whether your click rate is above average, average or below average. And that gets factored into your quality score.

The advice for optimising your click rate is 'PPC 101':

#1: Make sure all the keywords in your ad group are relevant to your ad. If not, move them to a different ad group.

#2: Keep testing different ads. It's not unusual to find a new ad gets two or three times the click rate of your existing ad.

One of the great things about improving your ads is that you get doubly rewarded.

First, you're rewarded with more traffic thanks to your higher click rates.

Second, you get higher Quality Scores. And that means your ads start appearing in higher positions - and higher positions get higher click rates. So that increases your click rate even more.

It's a virtuous circle.

Now, having spent 3 chapters telling you how to optimise Quality Score, I'm going to give you some bad news...

# Chapter 10: The Limits Of Quality Score Optimisation

In truth, it's not easy to gain a significant competitive advantage with Quality Score.

You can increase the click rate of your ads, and you can avoid problems with ad text and landing page relevance.

But, if you're in a competitive market, your competitors will likely be using professional PPC managers, and they'll be doing the same things.

So how do you gain a meaningful advantage and win one of the top ad slots?

Well, if the equation is bid x quality score, and the answer isn't Quality Score, then that leaves us with just one variable: your bids.

And there you have it: if you want to be a dominant advertiser in Google Ads, you need to do 3 things:

#1: Fix any Quality Score problems

#2: Maximise the click rates of your ads

#3: Be able to outbid most of your competitors

And the rest of this book is about that third thing: how to bid more than your competitors, and still make a profit.

So let's start with the most important metric in your business...

## Chapter 11: Visitor Value, the Secret to Success

If the goal of PPC is to buy visitors at a profit, then your cost per click needs to be less than the value of a visitor.

And the value of a visitor, which we'll call, "Visitor Value" (original, huh?) is

$$\text{Visitor Value} = \text{Conversion rate} \times \text{the value of a conversion}$$

So, if 2% of your visitors become customers and a customer is worth £100, then your average visitor is worth £2.

In which case, your profit from Google Ads would be:

$$(\text{£2} - \text{your average cost per click}) \times \text{your number of clicks}$$

Example: Let's say you're paying £1.50/click and you're getting 1,000 visitors a week, your weekly PPC profit would be

$$(\text{£2} - \text{£1.50}) \times 1,000 = \text{£500}$$

And if you could increase your visitor value by 50% (usually not hard to do, as you'll see), that equation becomes:

$$(\text{£3} - \text{£1.50}) \times 1,000 = \text{£1,500}$$

So you'd triple your profit.

That's one way to do it.

But, imagine, after raising your visitor value to £3, you increase your bids.

Let's say you increase them from £1.50 to £2.50. And that moves your ad from the bottom of the page to the top. And that means you got 10 times as many clicks.

Your profit would now be:

$$(\text{£3} - \text{£2.50}) \times 10,000 = \text{£5,000}$$

Now you're making 10 times as much as when you started.

And that is the secret to dominating in Google Ads: **Earn enough per visitor to outbid your competitors and be one of the advertisers at the top of the page.**

Before I show you how to do this, I need to cover one thing...



## Chapter 12: Are You Choking Your Traffic?

As we saw in the last chapter,

Visitor Value = Conversion rate x the value of a conversion

Conversion rate is simple to understand, but there are 2 different ways to look at the value of a conversion.

#1: How much profit you make from a typical sale.

#2: How much profit do you make from a typical client over time – also known as the “lifetime value.”

In most industries, most sales are repeat sales. That is to say, most of the orders you get will be from existing clients.

And each of those repeat sales tends to be far more profitable than an initial sale from a new customer.

For two reasons...

First, there's little or no marketing cost for those orders.

Second, those orders are often bigger – either because you've already built trust or because the customer is graduating from an introductory product to higher-end products.

So, that begs the question...

### **Do you really need to make a profit on the initial sale?**

In the last chapter we saw that bidding more is the secret to higher profits. Well, one way to bid more is to be willing to only break even on the first sale.

Your ad will show higher on the page. It'll get a much higher click rate. That means you're bringing in many more customers. And the profit from those extra customers' future purchases will usually far exceed the profits you gave up on the initial sale.

Direct mail companies – and catalogues – have been using this approach for decades.

When Amazon was in its high-growth phase, it took it one step further, and were happy to lose money to get a new customer.

So this is the first and, perhaps, the easiest way to increase visitor value: change how you measure it.

In the next chapter, we'll look at the factors that determine visitor value, before showing how you can improve each one.

## Chapter 13: The Components Of Visitor Value

Visitor value has 3 components:

- Your conversion rate, i.e. what % of visitors become customers
- The average profit per sale
- The average number of times a customer buys

So, if 2% of your visitors buy, you make £100 profit per sale, and they buy an average of 5 times, your visitor value is...

$$2\% \times £100 \times 5 = £10.$$

We'll look at each of these 3 components in turn, but before we do, it's time to formally introduce...

# Chapter 14: Introducing the PPC Multiplier Method – Big Profits from Small Improvements

In the last few chapters, we've seen:

#1: The secret to PPC success is to be able to outbid your competitors.

#2: How much you can profitably bid for a visitor is limited by how much you earn from a visitor.

#3: How much you earn from a visitor is determined by 3 things: conversion rate, average profit per sale, average unit of sale.

And we saw how small changes to these 3 things can make a big difference to your revenue.

So now's a good time to introduce the PPC Multiplier Method properly...

## The PPC Multiplier Method

With Google Ads, there are 6 factors you can influence. They are:

- Number of impressions (times your ad is shown)
- Your clickthrough rate
- Your cost per click
- Your website conversion rate
- Average profit per sale
- Average number of purchases per client

And, if you were to improve each of these by 10%, here's an example of what you could get:

	Before	After (10% Better)
Impressions/month	2,000,000	<b>2,200,000</b>
Clickthrough rate	1.00%	<b>1.10%</b>
Clicks	20,000	24,200
Cost Per Click	£1.50	<b>£1.35</b>
Cost	£30,000	£32,670
Website Conversion Rate	1.00%	<b>1.10%</b>

Number Of Customers	200	266.2
Average number of purchases	5	<b>5.5</b>
Profit Per Sale	£60	<b>£66</b>
Net Revenue	£60,000	£96,630
Total Profit	£30,000	£63,960

**113% Increase In Profit!**

Again, this is the product of just two things: focusing on every factor and making small improvements.

What you'll usually find is that you'll improve some factors by at least 20% or 30%.

So what happens if you improve everything by 20%? It looks like this:

	Before	After (20% Better)
Impressions/month	2,000,000	<b>2,400,000</b>
Clickthrough rate	1.00%	<b>1.20%</b>
Clicks	20,000	28,800
Cost Per Click	£1.50	<b>£1.20</b>
Cost	£30,000	£34,560
Website Conversion Rate	1.00%	<b>1.20%</b>
Number Of Customers	200	345.6
Average number of purchases	5	<b>6</b>
Profit Per Sale	£60	<b>£72</b>
Net Revenue	£60,000	£149,299
Total Profit	£30,000	£114,739

**282% increase in profit!**

These are hypothetical examples (I'll show you a real world example in Appendix 1).

But to calculate how much your business would earn from 10% or 20% improvements, simply plug your numbers into a table like this.

### **What a 37% improvement lets you do**

A few years ago, I increased a client's average order value by 37%. I did this by adding just a single sentence to his order page.

That increase in order value meant he could do two things:

#1: He could increase bids for his keywords – which meant more impressions, higher ad positions, higher click rates and more sales.

#2: He could now make a profit on some keywords that were previously unprofitable.

## **Escaping the “traffic trap”**

So many PPC advertisers try to optimise their accounts, then tweak them over and over.

That’s what I call “the traffic trap.”

They’re trying to get their traffic source to do the heavy lifting.

But, as we’ve seen, your PPC can only take you as far as your visitor value will let it.

So, after your account has been professionally optimised, all you get are incremental improvements from things like ad testing and bid optimisation.

And you’re doing that in an environment where your competitors are also ad testing... and clicks are getting more expensive each year.

So progress is slow. If there’s any progress at all.

## **Doing it the PPC Multiplier way**

I do it the opposite way. I get the visitor value to do the work.

Here’s why...

Increasing your visitor value means you can increase your PPC bids. Bidding more means you get more visitors. These visitors can be put through split-tests that will increase your conversion rate... which means you can spend even more... and so on...

It’s a virtuous circle.

And, while all of this is happening, you’re building up your bank account. And some of that money can be re-invested in other marketing (like hiring a top-class SEO).

## **I understand the scepticism about this**

When I first show business owners how much they could be earning, they can find it hard to believe.

That's because they're used to small improvements producing small returns. They've never seen what happens when you *compound* those improvements.

But, once you start working on your visitor value you can start using the biggest lever - raising your bids. And, as I showed, that's where your traffic increases by leaps and bounds.

So, now I've explained the PPC Multiplier Method strategy, we can get into concrete techniques you can use to increase your visitor value.

But, before I do this, there's one more thing to cover...

# Chapter 15: How To Scientifically Improve Your Website

If you've used Google Ads, you'll probably be aware of the concept of split-testing ads.

And you probably realise that, to be competitive, you need to split-test your ads.

That's because split-testing gives you three advantages: higher click rate, higher Quality Scores and more visitors.

Well, what's also true about web pages. The first version of your web page is never going to be optimal. There's always something that can be improved.

So, like your ads, you need to be constantly refining your web pages – split-testing one version against another, to see which is the winner.

There are different pieces of software that'll help you do this. To keep this book up-to-date, I created a web page at

[www.ppcmultipliermethod.com/resources](http://www.ppcmultipliermethod.com/resources)

that has my latest recommendations.

Whatever tool you choose to use, they all work in a similar way. They send some of the page's visitors to each version of the page - and they count how many conversions each version produces.

You run the test long enough to get a statistically reliable result. And, once you have a winner, you make it the new version of the page.

## **What about sequential testing?**

A lot of business owners and CMOs try to test pages by using sequential testing, rather than split-testing.

Sequential testing is when, rather than running a split-test, you replace the old version of the page with a new version and see if sales go up.

There are three problems with this...



First, you're not comparing like-with like. You're running the two pages in two different time periods. That means there's a lot of "noise" in the data.

That noise can be seasonal effects, news, competitor behaviour (like a competitor running a sale)...

So, unless you see a huge difference in conversions, it's hard to identify the real winner. Which takes us to the second problem...

Because you can only trust big winners, you're missing out on all the small improvements that add up over time. So you might run three sequential - where the new version is 10% better each time. But, because you're doing sequential testing, you'll have to throw out those three results.

But, if you'd been split-testing, you will identify those winners and get a cumulative improvement of 33%.

Finally, the third problem with sequential testing is that you send all the page's traffic to the new version. If that page performs badly, that'll impact the revenue from all those visitors.

But, if you do a split-test, you're only sending half the traffic to the untested version. That way, the other half of the traffic will convert as before.

That means you're taking less of a risk.

So, yes, setting up split-tests can be a hassle - especially the first time - but it's worth it.

## **What should you split-test?**

You can split-test anything on a web page. The factors that tend to make the biggest difference to conversion rates are:

#1: Offers – prices, guarantees, speed of delivery, bonuses.

#2: Themes – which benefits do you most emphasise?

#3: Selling styles – e.g. long copy v short copy, personal tone v corporate tone, big promise v sober promise.

#4: Headlines – often the first text the visitor reads.

#5: Graphics – especially pictures of people. But the quality of product pictures can make a big difference, too.

#6 Button text – should a button say “Get your free report now” or “Submit”? (Spoiler alert: it shouldn’t say “Submit.”)

#7: Adding proof/reassurance elements – e.g. placing testimonials near action buttons, safe shopping logos.

#8: Elements on the purchase page – form fields, testimonials, guarantees.

#9: Page layout – for example, having text to the left of an enquiry/sign up form compared to having it to the right.

Now I’ve explained how to know whether you’ve improved your conversion rate, let’s look at how to improve it, starting with...

## Chapter 16: The Easiest Thing To Sell

One of the first lessons I learned in sales was that “the easiest thing to sell is something that’s worth buying.”

So, let me ask you a question: why should someone buy from you rather than from your competitors?

If you can’t give a concrete answer to that question (and most business owners can’t), I have another question...

If you – who knows your product or service better than anyone else – doesn’t know, how can you expect a complete stranger to know?

How can you expect someone arriving at your website for the first time to answer a question even you can’t answer?

It’s crazy, but that’s what most websites ask their visitors to do.

It’s like saying, “I don’t know why you should buy from me. But here’s some information that you might want to try to piece together into a persuasive sales pitch.”

... And we wonder why only 1%-5% of visitors buy...

### Understanding USP

The solution to this problem is to create a “Unique Selling Proposition” (USP).

The idea of the USP was developed by Rosser Reeves, whose agency used it to popularise products like Anacin, Colgate, M&Ms, and Bic pens.

In his book, *Reality in Advertising* (1961), he broke the Unique Selling Proposition into 3 parts:

**Proposition:** The ad must make a proposition: Buy this product and you’ll get this specific benefit.

**Unique:** The proposition must be one the competition cannot or does not offer.

**Selling:** The proposition must be so strong that it can pull a large percentage of prospects to your product.

### How to find your USP

It may be that your product or service already offers a unique advantage to the user. In which case, you're in a strong position to start with.

But, if that's not the case, there are a couple of solutions...

#1: As we saw, a proposition is unique if your competitors do not make it. Is there an advantage both you and your competitors offer, but they don't feature it prominently in their advertising?

If so, and you bring this to the foreground, you can make it your USP.

#2: If you really offer no exclusive advantage, can you improve your product or service?

And, if you can't improve it directly, can you improve your offer by...

- (A) Adding bonuses?
- (B) Providing a faster service?
- (C) Guaranteeing results?
- (D) Increasing your credibility by getting endorsements from credible people or organisations?

Any one of these things can be the basis of a USP.

Look at Compare the Market: as a comparison site, they have no product advantage. So, to encourage people to buy through them, they give away stuffed meerkat toys. That's using bonuses to make a unique offer.

Or you can combine these elements. One of the most famous USPs of all time was for Domino's Pizza. It was, "Fresh, hot pizza delivered to your door in 30 minutes or less—or it's free".

That's a combination of speed and a guarantee – and it propelled Domino's from a small local business to a global brand.

Creating a USP can be complicated, but it's worth it.

Bill Bernbach, who topped Advertising Age's 20th century list of advertising's most influential people, said,

*"Advertising doesn't create a product advantage. It can only convey it...No matter how skillful you are, you can't invent a product advantage that doesn't exist."*

And, if your ads don't convey an advantage, you're going to have mediocre ads, driving mediocre traffic to a website with a mediocre conversion rate.

The problem with mediocrity is that it provides meagre rewards. We're not in the meagre rewards business, we're here to dominate our market.

## Chapter 17: Without this, no-one buys

John Caples – who wrote some of the greatest ads ever written - defined effective advertising as, *“A believable promise to the right audience.”*

Gary Bencivenga, perhaps the greatest living copywriter, says *“Without belief, nobody buys.”*

Do you see a pattern?

People are sceptical. If you make big claims about your product, you need to back those claims with proof. Do that, and you’ll see your conversion rate increase.

There are many ways to do this. Here are just a few:

### **Proof Element #1: Testimonials**

These are most powerful when they back up a specific claim. So, if I claim a weedkiller works in less than an hour, I like to have a testimonial next to it saying, *“All the weeds were dead within an hour”*.

Video testimonials tend to be the most powerful. Then testimonials with photos. Then testimonials with full names (and company name for B2B). Once you get to testimonials with nothing other than initials, the impact is really low.

Adding headlines to testimonials works well. For example, I have a testimonial on my website that says:

*“I spent substantial money on PPC and barely saw any return at all. Since hiring Steve to manage my AdWords – and making the changes he suggested for my website – I’m getting 20 times as many enquiries (I’ve counted them – a 2,000% increase!) and my AdWords campaign is now very profitable.”*

But, on my website, I format it like this:

***“I’m getting 20 times as many enquiries”***

*“I spent substantial money on PPC and barely saw any return at all. Since hiring Steve to manage my AdWords – and making the changes he suggested for my website – I’m getting 20 times as many enquiries (I’ve*

counted them – a 2,000% increase!) and my AdWords campaign is now very profitable.”

As you see, the main selling point really stands out. People who want more enquiries will be drawn to that headline. They probably wouldn't have noticed it buried in line 3 of a testimonial.

## **Proof Element #2: Demonstration**

This is perhaps the most effective form of proof. After all, if you've seen something with your own eyes, you're going to believe it.

A great example of demonstration is Blendtec's online video series, "Will it blend". You can check them out here:

<https://www.youtube.com/user/Blendtec>

If you watch one of those videos, do you have any doubt this is a powerful and robust blender?

## **Proof Element #3: 3<sup>rd</sup> party studies and expert opinion**

If there's research that supports the claim you want to make, use that research to add credibility.

So, instead of saying, "If your server goes down and you lose your company data, you could go out of business", say:

“A study by the CBI showed that 20% of companies that lost their server data without having a recent back-up went out of business within 3 months...”.

## **Proof Element #4: Specificity**

This was best summed up by Claude Hopkins:

“One expects a salesman to put his best foot forward and excuses some exaggeration born of enthusiasm. But just for that reason general statements count for little. And a man inclined to superlatives must expect that his every statement will be taken with some caution.

But a man who makes a **specific claim is either telling the truth or a lie**. People do not expect an advertiser to lie. They know that he can't lie in the best mediums. The growing respect in advertising has largely come through a growing regard for its truth.

So a definite statement is usually accepted. **Actual figures are not generally discounted. Specific facts, when stated, have their full weight and effect.**"

Examples would be,

"Lose 36 Pounds in Only 7 Weeks"

"We have spent 47 years perfecting this dish."

"At 60 miles an hour the loudest noise in this new Rolls-Royce comes from the electric clock"

You'll often find that unusual numbers will outperform round numbers. For example, I wrote two Google ads for a client, where the only difference was these 2 statements:

Ad #1: "40 years experience. Call today"

Ad #2: "39 years experience. Call today"

The latter ad got a 76% higher click rate.

## **Proof Element #5: Specific Guarantees**

Guarantees are the ultimate "put your money where your mouth is" proof element.

But, to be credible, a guarantee has to be specific. There needs to be consequences for the business if they don't perform. And the prospect needs to be able to exercise it.

So, something like "low prices" isn't a guarantee. It's an empty claim and there's really no way of determining whether your prices are "low."

"Never knowingly undersold" is better, but there are still no consequences of you being undersold. ("Sorry, mate, I had no idea everyone else was cheaper...")



A more powerful guarantee is “If you find it cheaper anywhere else, we’ll refund the difference plus 10%.”

It’s specific, there are consequences for the vendor, and it’s fairly easy for the prospect to understand how to get the refund.

A close relative to guarantees are refund policies. If you’re selling products to consumers, you have to allow refunds, so why not emphasise this? It reduces the risk for the consumer. And lower risk = higher sales.

These are just 5 forms of proof. When working with clients, I look for 15 different types of proof. But this should get you started.

## Chapter 18: Conversion Best Practices

In his excellent book, *Secrets of Successful Direct Mail*, Richard Benson wrote:

“There are only two rules in direct marketing.

Rule 1: test everything.

Rule 2: Refer to Rule 1”

So, although I’m going to give you some “best practices,” understand they’re things that work more often than not - not guaranteed wins

So, wherever you can, split-test any changes you make to your website.

With that warning in place, here are some things I’ve found tend to increase conversion:

**Stick to the story** – when someone lands on your site as a result of a Google search, that’s the 3<sup>rd</sup> step in the process. The first step was when they typed something into Google. The second step was when they looked at your listing and thought “that could be what I’m looking for.”

The third step is what they find on your site. And that page should echo the promise made in your search engine listing.

**Be real** – customers want to know that, if something goes wrong, you’re a real business and they can contact you. That means putting a physical address on your contact page. Ideally a landline number as well. And, if you’re a limited company, your company number.

**Speak their language** – ecommerce stores tend to follow certain conventions. As a result, those conventions have become a “vocabulary of shopping online”.

If you do things differently, you’re not speaking their language. Instead, you’re forcing them to learn yours. And that extra work will usually result in fewer sales.

I had one ecommerce client whose pages were laid out in an unusual way – the images were down the page, so was the “add to cart” button...

We reorganised the page so it had a typical ecommerce layout – and added one sentence about shipping – and his conversion rate increased 481%.

**Tell the whole story** – most websites shy away from using long copy on their pages because they assume people won't read. But tests show long copy usually beats short copy.

This is because long copy allows you to give more reasons to buy, overcome more objections, and show more proof.

Buyers read.

**Your font should be larger and darker** - most money is in the hands of people who are over 40. And, if you're over 40, your eyesight has probably deteriorated over the years.

So what's readable to a 20-something web designer with a big fancy monitor might not be easy to read for you.

So ditch the "light grey on white background" text. Make the font colour contrast clearly with the background.

As for font size, I wouldn't recommend anything under 10 point. 12 point – or higher - is optimal in fonts like Arial.

**Your action button should be on the first fold of the page** - The "first fold" is whatever people can see without scrolling. If your main call to action – it could be a buy button, a web form – is below the first fold, test moving it up. Your conversions will probably increase.

**The call to action button should be a colour that stands out against the rest of the page** - Tests have shown there's no one ideal colour for an add to cart button. But they have shown that contrast between the page colour and the button colour usually increases sales.

**Break up your copy with sub-headlines** - People won't necessarily read every word on your page. So make it easy for them to skim the page by breaking the page into sections, with a headline for each section. That way, they can zoom past the features and benefits that don't interest them, but be flagged down by those that do.

**Keep paragraphs under 6 lines long** – dense paragraphs of text discourage readership. I aim for no more than 6 lines per paragraph.

**Keep narrow** – reading text that is wide – more than 45 characters, including spaces – causes eye fatigue. Do your visitors a favour and keep your text below 45 chars wide.

We're almost at the end of our coverage of conversion rate optimisation. There's one thing left: how to deal with price resistance.

## Chapter 19: Price is subjective

Oscar Wilde famously claimed, “A cynic is a man who knows the price of everything, and the value of nothing.”

But, let’s be honest, unless we’re used to buying a particular item, do we really know how much it should cost?

So it’s our job as marketers to help our prospects understand the value of our offer.

We can do this in a number of ways:

### #1: Amazon price formatting

Amazon show you how much you “should” pay (RRP) and how that relates to their price e.g.

RRP: ~~£26.99~~

Price: **£18.35**

You Save: **£8.64 (32%)**

So, rather than wondering if £18.35 is a good price, you now know what the standard price is, and that you’re getting a 32% discount on that standard price.

This can be very effective.

For example, I had a client who was selling a little-known consumer electronic brand at a big discount to RRP. The problem was, because prospects didn’t know the brand, they saw cheap = low quality.

We tested using the Amazon pricing format and his conversion rate increased by over 30%.

### #2: Compare to time saved

If you have an automated system that costs £50 and saves a business owner 6 hours a month, you could say,

“As a business owner, you probably make at least £50 per hour – maybe many times more than that. Our system typically saves users 6 hours a month. That’s equivalent to £300 of your time.”

### **#3: Compare to a related service**

Example: if you’re selling teeth whitening strips, you could compare the cost to the cost of a professional whitening.

### **#4: Trivialise the price**

If you’re selling something that’s £20 a month, you can point out that’s just 67p per day - less than the price of a sandwich.

These 4 techniques use “price anchoring” – using another price to make your price seem like a great deal.

Smart marketers use this all the time. You should use it, too. Not only does it increase conversion rate, it allows you to charge higher prices.

Now we’ve covered conversion rate optimisation, let’s move on to what may be the most valuable chapter in this book...

## Chapter 20: How to Quadruple Your Sales

In 1906, economist Vilfredo Pareto discovered 80% of land in Italy was owned by just 20% of the population.

This observation evolved into what's commonly known as the "Pareto principle", or the "80-20 rule."

The rule states that roughly 80% of effects come from 20% of causes. For example...

80% of money belongs to 20% of the population

80% of crimes are committed by 20% of criminals

80% of complaints come from 20% of customers

80% of sales are generated by 20% of salespeople

...and...

80% of a company's profits are from 20% of its customers.

And it's this last one we're going to focus on.

### How many businesses lose 75% of their sales

Imagine you have 100 customers and they produce £40,000 in net sales.

The 80-20 rule suggests the following:

- 80 customers, generate £8,000 – an average of £100 per customer.
- 20 customers generate £32,000 – an average of £1,600 per customer.

But... and here's the point... those 20 customers can only spend £1,600 each if you let them.

If you only have one product and one price... and you sell those products one per customer... then those 20 "golden customers" can't spend any more than the others.

Which means you have:

- 80 customers spend £100 per head – total £8,000

- 20 customers are restricted to £100 each – total £2,000

So, instead of making £40,000, you only make £10,000.

You lose 75% of your revenue.

## The Good News

The good news is, if your business is doing this, then, with the right strategy, you could quadruple your sales.

For example, you could...

#1: Encourage people to buy larger quantities. (I added just one sentence to a client's website, and his average order size increased by 36%.)

#2: Offer more expensive versions of the same product. See Crazy Egg's site, where they have 'Basic,' 'Standard,' 'Plus,' and 'Pro' packages:

<https://www.crazyegg.com/pricing>

If they only offered the basic package, the people who would have wanted the "Pro" level would only be able to spend \$24, rather than \$249. And they'd get a lesser product that produced a lesser result for them.

And, of course, Crazy Egg would have missed out on 90% of the potential revenue from that customer.

#3: Bundle your product and service with other products and services.

#4: Add maintenance plans, and other recurring services.

#5: Broaden the definition of your business. Rather than sell one thing, can you become a trusted advisor in your broad category?

#6: Turn your business into a lead generation business for a bigger ticket item. Does buying your product identify your customer as a good prospect for another company?

Example, let's say you sell business accounting software. Your customers could be good prospects for accountants, lawyers, web designers...



It's possible you could make more money by recommending those companies than you make from your software.

These are just some of the ways to offer more value (and get paid for it) to the 20% who want to spend more.

As you can imagine, if you could do this, it'll double, triple or quadruple your sales... and your visitor value...

And, if you can multiply your visitor value, you can multiply your bids, grab the top spot in Google Ads - and multiply your click rate.

Up-selling is perhaps the most overlooked game-changer. It can catapult you from market obscurity to market leadership.

So the next chapter talks about three more ways to do it... learned from a company you know well...

## Chapter 21: Supersize Your Business

McDonalds is a selling machine.

Everything about their operation is designed to get people in, get them to spend as much as possible, and then come back again and again.

They've spent decades and a decent-sized fortune testing and trying different approaches.

And you can be sure that, if McDonalds is using a sales technique, that technique is producing big results.

This means you can bypass decades of trial and error, and simply adapt and adopt their techniques for your own business.

Let's look at three of these techniques...

### **(1) Can I make that a large?**

After the release of the 2004 film *Supersize Me*, McDonalds withdrew some of their up-sizing options. But that wasn't because they didn't work. In fact, they were so effective they were seen as a danger to the health of America!

McDonalds understood that, if you offer a customer a larger quantity of something for a small increase in price, they'll often say yes.

For example, I go to two supermarkets. One of them offers bottles of coke for £1.25p each. The other offers the same bottles for the same price, but has the option of two bottles for £2.

Now, at the first supermarket, when I buy coke, I only ever buy one bottle. In the second supermarket, not only do I buy coke more often, I also usually buy two bottles.

Why?

Well, it's not because 50p (the difference between £2 and two £1.25's) is important to me. It's because the 75p for the extra bottle seems such a bargain.

The retailer increases his profit. And this is the principle behind all the “buy 2, get 1 free” and “3 for the price of 2” offers you see.

But, it’s not just about food.

Many dry cleaners offer to clean a 4th garment free if you pay for 3 garments to be cleaned.

There’s a website that sells health supplements. They’ve got a “buy three, get one free” on most of their products. For the customer that could mean the unit price goes from £30 to £22.50. The retailer adds £60 onto the sale.

If the profit on the original price was 75%, a single unit gives a profit of £22.50. The bulk option brings in £90, of which £30 is cost and £60 is profit. That’s an increase in profit of 167%.

If you’ve a carpet cleaning company, you can use this. You can say to your clients, “As we’re already coming to your home to clean your living room carpet, we can do another room at half-price.”

In your own business, how can you offer bulk-buying options to your clients that will offer them a better price and give you an increased profit?

## **(2) Would you like the deluxe?**

Do McDonalds just sell a basic burger? No, as well as a hamburger, there’s a cheeseburger, double cheeseburger, a Big Mac...

Many businesses sell higher ticket versions. A computer salesman would be foolish not to mention to you that, for an extra hundred pounds, you can have a faster computer, bigger memory...

Is this immoral?

Here’s my take on it: a good salesman is an advisor. It’s his job to help you decide which item is best for you. If he just assumes you want the cheapest version, he’s done you a disservice.

In the PC example, if the higher performance PC is better suited to your needs, you’ll get a better deal and the salesman a bigger commission.

You both win.

But, let's say he doesn't do this. Let's say he just lets you buy the basic model. Then, two months down the line, that your PC isn't high-spec enough for you, you've both lost out.

So, it's your duty to educate your clients about the choices available. If you tell them about a higher performing option, they may see the more expensive choice as the "better value" option.

But, if you don't educate them, they won't know this better option even exists.

### **(3) Would you like fries with that?**

Whether it's fries with your burger, extra cheese with your nachos or added toppings on your pizza, the fast food industry knows upselling works.

But, it doesn't just work in the food industry.

I recently went to a concert by a little-known singer songwriter. After the show he hung around and sold his CDs to people in the audience. He sold around 20 CDs for £10 each.

If the profit per CD was £8, and he sold 20 a night, 100 nights a year, this would make him £16,000 a year. Not a bad sideline for a "struggling" singer songwriter.

If you sell menswear and a man buys a suit, the salesman could say "you'll need a tie to go with your new suit."

The shop might sell an extra 10 ties a week just by asking this one question (and there's no reason why the customer should only have one tie that goes with the suit, why not offer a second tie at a discount?). That's an extra 500 ties a year. And, as well as a tie, the customer might need a belt and a couple of new shirts!

## **Summary**

All of these techniques can be used online – as Amazon has shown. But how many small businesses use them?

Maybe that's why they're small businesses?

## Chapter 22: How To Sell More To Existing Clients

Studies show that it costs 5-10 times as much to get a new customer than it does to sell to an existing customer...

... Yet most businesses focus almost all their attention on customer acquisition.

Not only that but, according to Bloomberg, “studies show that **68% of customers leave a business relationship because of a perceived attitude of indifference on the part of the company.**”

So the first rule of selling more to your customers is to treat them as well as you’d treat your prospects.

### **Build Loyalty By Adding Value**

According to marketing guru Dan Kennedy, every month you fail to keep contact, you lose 10% of your customers.

One easy way to keep in touch is with a monthly - or weekly - newsletter that adds value.

That way, not only are you keeping yourself in the client’s mind, you’re building a deeper relationship.

### **Tell and Sell**

If you sell a wide range of products, do your customers know about all these products?

Maybe they’re buying some of them from your competitors, but would rather buy from you? You just need to tell them.

You can do this in a newsletter, by email, in a catalogue, by having your salespeople mention these other products, through point of sales offers .

### **Programme Repurchases**

Joe Polish, who teaches carpet cleaners how to market, encourages his students to set up regular cleanings for their clients.

So, rather than get a single cleaning, then waiting until the carpet is intolerably dirty, they set up a schedule to clean every few months.

That double or triples how often a client buys each year.

## **Reorder Reminders**

If you sell a product that's re-consumptive – i.e. it runs out and people buy again – you can work out roughly when people are about to run out, then send them a reminder to buy again.

These are just some of the ways you can increase the average number of purchases per customer.

## **Summary**

Increasing visitor value - ethically - is the cornerstone of the PPC Multiplier Method. It's what lets you outbid your competitors and take the top spot in Google Ads.

Hopefully, the last few chapters have given you lots of ideas on how to do that.

We've now covered the PPC Multiplier Method strategy.

But, before we finish, there are four issues that are so important, they deserve their own chapters.

The first is how to get the best traffic from Google's shopping ads.

(Feel free to skip that chapter if you're not in ecommerce.)

## Chapter 23: How To Double Your Google Shopping ROI

When Google introduced shopping campaigns, they did something really sneaky: they didn't allow advertisers to bid on keywords.

Instead, Google would choose when your ads would show.

That was great for Google, but sucked for advertisers... for two reasons:

Sucky reason #1: your ads would show for searches you didn't want them to show for.

Sucky reason #2: you would be bidding the same for these 3<sup>rd</sup> rate searches, as you would for the best searches.

So, if your product was a BEKO DFN05X10S Full-size Dishwasher and your bid was £1.50, then you'd find you'd be bidding £1.50 for a click from someone searching for...

- Beko dfn05x10s
- Beko dishwasher
- Beko din29x29
- Dishwashers

It should be obvious that someone searching for "Beko dfn05x10s" is far more likely to buy than someone who simply searches for "dishwashers."

Maybe you'd still want to show an ad for someone looking for "dishwashers," but you'd want to bid a lot less for that click.

That's because, the better targeted the search phrase, the higher we want to bid. The less targeted, the less you want to bid.

But, because of Google's sneaky move, you had no control over this.

Or, at least, that's how it seemed...

### Germans to the rescue!

Fortunately, a very clever German, named Martin Roettgerding, figured out a way round this – and was kind enough to share it with PPC insiders.

Martin's method puts you in control.

It means you can adjust your bids so you bid more when people are looking for the very products you sell. And either bid less for more general searches... or not be shown for those searches at all!

## The secret that makes this work

If you look at settings within shopping campaigns, you'll see an option called "Campaign priority."

The options are "low," "medium" and "high."

Here's how it works: imagine you have 2 campaigns: one low priority, and one high.

Google will try to serve an ad from the high priority campaign. If it can't – and only if it can't – it'll turn to the low priority campaign to see if it can serve an ad from that campaign instead.

Or, to put it another way, it works exactly the way you'd expect it to work.

Martin figured out you can use priorities – together with negative keywords - to direct traffic to different campaigns.

## Back to our Beko example

Going back to our example of a BEKO DFN05X10S Full-size Dishwasher.

Say you had 2 campaigns – one high priority, one low - what would happen if you added the negative keyword "DFN05X10S" to the high priority campaign?

Any search using that word would bypass that campaign. But it could trigger an ad in your low priority campaign.

And, any search that **doesn't** contain "DFN05X10S" could trigger an ad in the high priority campaign – but not in the low priority campaign.

So your two campaigns would be like this:

Low priority: Only for searches that include DFN05X10S.

High priority: Only for searches that DON'T include DFN05X10S.



## **Bid management**

And, if our goal is to bid less for less targeted traffic, all we'd have to do is to cut the bids for the high priority campaign.

So, if your low priority campaign bid is £1.50, then your high priority campaign bid might be 50p. Or, if you really don't want that traffic at all, 2p.

## **Double the ROI**

In my testing this with clients, I've always started by leaving the bids the same in the existing (high priority) campaign.

I've found that the ROI of the low priority campaign is usually at least double that of the old campaign... and that the high priority campaign is often now unprofitable. (And needs to have its bids lowered.)

## **How to implement this**

Step 1: Get a list of your product codes. In our Beko example, that would be "DFN05X10S."

Step 2: Load these into Google Ads as a negative keyword list.

Step 3: Create a new shopping campaign that's a copy of the old one. Change the priority of this campaign to "low."

Step 4: Change your old campaign to have high priority.

Step 5: Add the negative keyword list to the high priority campaign.

Now sit back and wait for results.

As results come in and you've an idea of ROI, you may wish to cut the bids in the high priority campaign, and increase the bids in the low priority campaign.

## **One last thing you need to do**

There's one final issue. Fortunately, it's easily fixed.

If your high priority campaign uses up its daily budget, ALL remaining traffic will go to the low priority campaign. And this means you'll be bidding high on low quality searches.

But, if you use a shared budget for the two shopping campaigns, this can't happen.

## Summary

This technique allows you to direct your spending towards the best traffic, and away from less valuable traffic.

And that's something that will almost always increase your profits.

And, given few advertisers know about this – including professional PPC managers – it'll give you a big edge.

## Chapter 24: Choosing the best bidding option

In the marketing world, artificial intelligence is like teenage sex...

...Everyone is talking about it, few people are doing it... and those who are doing it are usually doing it badly.

I see this most often when I'm auditing PPC accounts. If the account is being managed by "big name" agencies that use fancy bid management software, the accounts are usually a mess.

You'll see the same keyword in multiple ad groups, but with hugely different bids. For example, in one group, the bid will be £1... in another £0.30... in another £0.76.

When I come in, manually remove the overlaps and manually set bids, profits often double.

(See the appendix for a case study.)

So why is this? Why can I outperform a computer algorithm?

After all, it should be impossible.

With so many moving parts – user location, time of day, day of the week, seasonality, previous search history, search query (what they actually typed into Google)... - it should be impossible for a human to do a better job than Google's own machine.

But, for some reason, I usually can.

And I have a theory as to why.

You see, I used to be a statistician. And, with my stats background, I can see that these bid management tools – including Google's CPA bid option – are way too sensitive.

They seem to make big decisions based on very small sample sizes. And that's where things go awry.

So should you avoid bid management software or bidding options altogether?

Here's my advice:

#1: Unless you're getting 400+ conversions a month, use manual bidding.

#2: If you're going to use any bid management tool, use Google's. Not only is it free, but Google has far more data than any 3<sup>rd</sup> party would have.

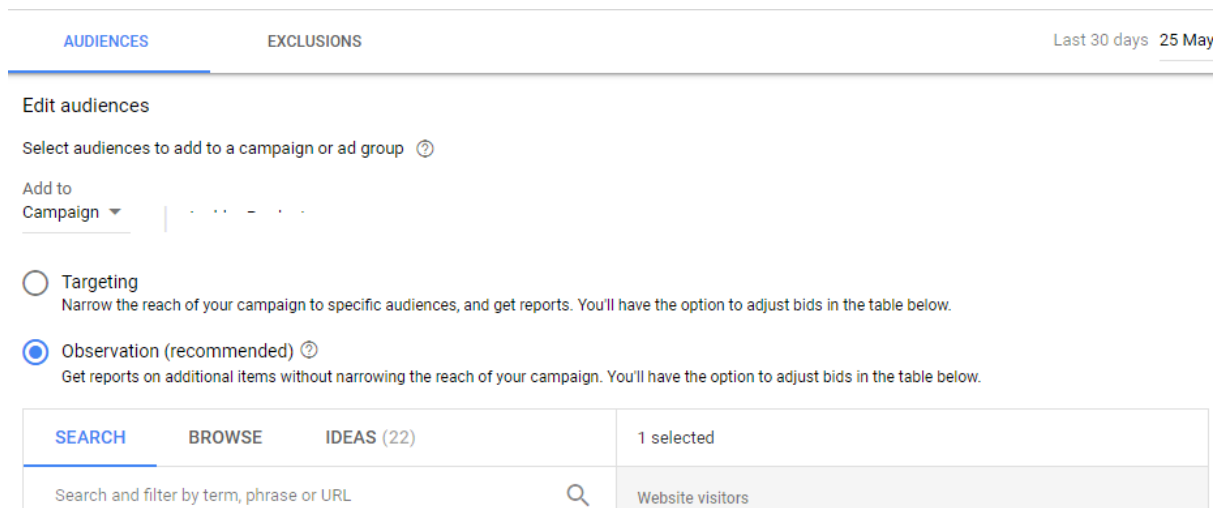
# Chapter 25: How to cherry-pick the Best Visitors From Google

You may know about Google Remarketing. It allows you to advertise to people who have previously visited your website. These ads show on Google’s display network (i.e. on websites that run Google display ads).

This form of advertising usually produces an excellent ROI. That's because previous visitors tend to be better than average prospects.

But you might not realise you can also use remarketing on Google search.

This is called “Remarketing Lists for Search Ads” (RLSA). And there are two ways to do it:



**Option #1 - Targeting:** with this option, you only show your ad to people on your remarketing list. So, if someone on your remarketing list searches for your keywords, they see your ads. If they’re not on the list, they don’t see your ads.

There are a couple of advantages to this.

The first is that you can write different ads for those people. The second is that you might have keywords that aren’t profitable, but ARE profitable when restricted to your remarketing list.

I’ll give you an example. Let’s say you sell holidays to Paris. You probably couldn’t make a profit bidding for “French holidays.”

But, if you only targeted your remarketing list, it's a different story. That's because the people seeing your "French holidays" ad wouldn't be "people searching for French holidays."

Instead, they'd be "people searching for French holidays who've shown an interest in Paris holidays." And those people would be far more likely to convert.

**Option #2 - Observation:** you continue to show your ads to everyone, but you can bid differently when the searcher is on your remarketing list.

This is the option I choose most often.

With most clients, I find past visitors are 2-4 times more likely to buy than new visitors.

So, I'll increase bids for anyone on our remarketing list. That way, our ad shows far higher on the page.

## **Adding lists as negatives**

Another way to use RLSA is to exclude people who are on certain remarketing lists.

For example, one of my clients is a SAAS company. Their customers log into their site to use the software.

Some of those customers get to the site by doing a search on the company name. And, if they clicked our ads to get to the website, it cost us money, but didn't bring in sales.

So I created a remarketing list of all people who visited the member pages. (This proves they're existing customers.)

I added that list as a negative in our campaigns. The ads were still showing for non-customers – i.e. potential new customers, but not for those who had already bought.

The result: our click rate, cost per click and cost conversion all reduced.

## **Summary**

I believe RLSA has been a major game changer – particularly for businesses for whom the normal approach to PPC isn't profitable.

## Chapter 26: How to Legally Spy on Your Competitors

Pay per click is Darwinian. It's the survival of the fittest.

The most profitable advertisers gravitate to the top spots ... and stay there for a long time.

This means, if a competitor has been using PPC for years, and is consistently showing among the top ads, you can assume they're probably profitable.

And, if they're profitable, there has to be a reason WHY they're profitable. There has to be a reason why they're able to outbid their competitors.

There's something – whether it's their ads, their sales copy, their conversion process, their offer, their business model... - that's doing a great job of turning ad impressions into money.

And if you can reverse engineer their success, you can apply their secrets to your own business.

So how do you do it?

It starts with identifying the dominant advertisers...

### Step 1: How to spot who's winning

For this, you need advertising history.

There are a few different paid tools that'll let you spy on your competitors' ad history. You can see my up-to-date recommendations here:

<http://www.ppcmultipliermethod.com/resources/>

When you're looking at competitors' ad history, you should look for...

(A) Consistency of advertising – i.e. they're not taking breaks, as breaks can be a sign their ads aren't profitable.

(B) Where on the page they're showing – you want them to show high on the page on a regular basis.



If you can see both these things – they’re showing among the top ads and doing so consistently – you’ve found a business you should study.

## **Step 2: What do their ads say? And what did they used to say?**

Look at their ads. What features and benefits do they mention? What emotional appeals are they making?

Then, using your spy tool (see above), look at their historic ads.

You can see which ads have persisted and which were only short-lived. That’ll give you insight into what your market responds to.

## **Step 3: When did they start to succeed?**

Some paid tools have graphs of estimated ad spend over time. Those estimates are usually wrong, but indicative.

Let me explain...

If the graph shows they spent £20,000 last month, that number is completely unreliable.

But, if the graph shows a big increase in spend, there usually was a big increase in spend.

Why is this important?

If the business suddenly increases it’s Google Ads spend- and keeps it there - it’s a sign the business made a breakthrough. So look at their ads at that time. Did the copy change significantly?

Go to [archive.org](https://archive.org), does it have copies of their website? If it does, look to see if the site design or copy changed significantly around that time.

If it did, then those changes were probably very effective.

## **Step 4: What’s their offer?**

What are they offering and how does it differ from the competition? Is it a different product or service? Is the price different? Do they have a better selection? Higher quality?

Or are they addressing a different emotion or reason to buy?

## **Step 5: How good is their sales copy?**

Sometimes the only difference between a dominant business and an “also ran” is the quality of their copy.

The reality is that people don’t buy your product or service... they buy what they *believe* about your product or service. And that belief comes from your sales copy.

So, oftentimes, you’ll find the top advertisers are the ones with the best sales copy.

## **Step 6: What’s their business model?**

Sometimes a business isn’t what it appears to be.

Web domain companies are a classic example. If all they did was sell you the one domain you wanted, they couldn't afford to advertise.

Instead, they have endless up-sells, related products and services...

If you go in trying to sell just domains, you've no chance.

(A point I've repeatedly made to the countless domain companies that have tried to hire me over the years.)

So, if possible, buy from your competitors. Sign up for their email lists. See what else they try to sell you.

If you do all this – and do it for all the dominant businesses in your market, chances are, you’re going to get breakthrough ideas for your business.

But there’s one more thing you can do...

## **Going outside your own territory**

If you're a local business, you don't just want to do this for your own market.

Look at other major cities – especially those where the competition is likely to be even fiercer.

So, if you're in Liverpool, also look at London, Manchester, Birmingham, Glasgow.

Those are the biggest cities in the UK, which will usually mean they have the most competitive markets.

And, if it makes sense, you can go international. Look at your keywords in New York, LA, Chicago, Sydney. And, if you speak other languages, check out Paris, Berlin...

### **Summary**

As Tony Robbins likes to say, "Success leaves clues."

Fortunately, online it's easy to find those clues. So, rather than trying to reinvent the wheel, why not (ethically) steal the best from the best?

## Chapter 27: Summary

In this book you've discovered...

- \* That most buying decisions start with a Google search
- \* That, for commercial searches, paid listings get around 2/3 of the clicks
- \* That the ads at the top get 8-15 times the clicks as the ads at the bottom
- \* So, to dominate your market with search engine marketing, you need to be one of those top of the page advertisers.

We then covered...

- \* How Google ranks ads
- \* How to avoid Quality Score problems that'll harm your ad positions.

Then we moved on to the real way to beat your competitors: which is having a higher visitor value, and how to do that.

Because the goal of this book is to teach a mindset and a strategy, the "how to" was covered only briefly.

For example, I barely touched on PPC setup and optimisation, or on conversion rate optimisation.

Both of these subjects deserve books of their own. And, you can see up-to-date book recommendations at

<http://www.ppcmultipliermethod.com/resources>

### **The strategy in action**

In Appendix 1, you can see a real world example of how I implemented *The PPC Multiplier Method* for a client. The client had been using AdWords for 8 years, but, using this method, I increased their PPC profits by 643% in a few months.

Finally, if you want the benefits of dominating your market, but would like help doing it, check out Appendix 2, where I explain the services I offer.

Best wishes,

Steve Gibson

PS If you liked this book, why not sign up to my free email newsletter at

<http://www.ppcmultipliermethod.com/resources>

It's packed with marketing tips and, if you don't think it's for you, you can unsubscribe at any time.

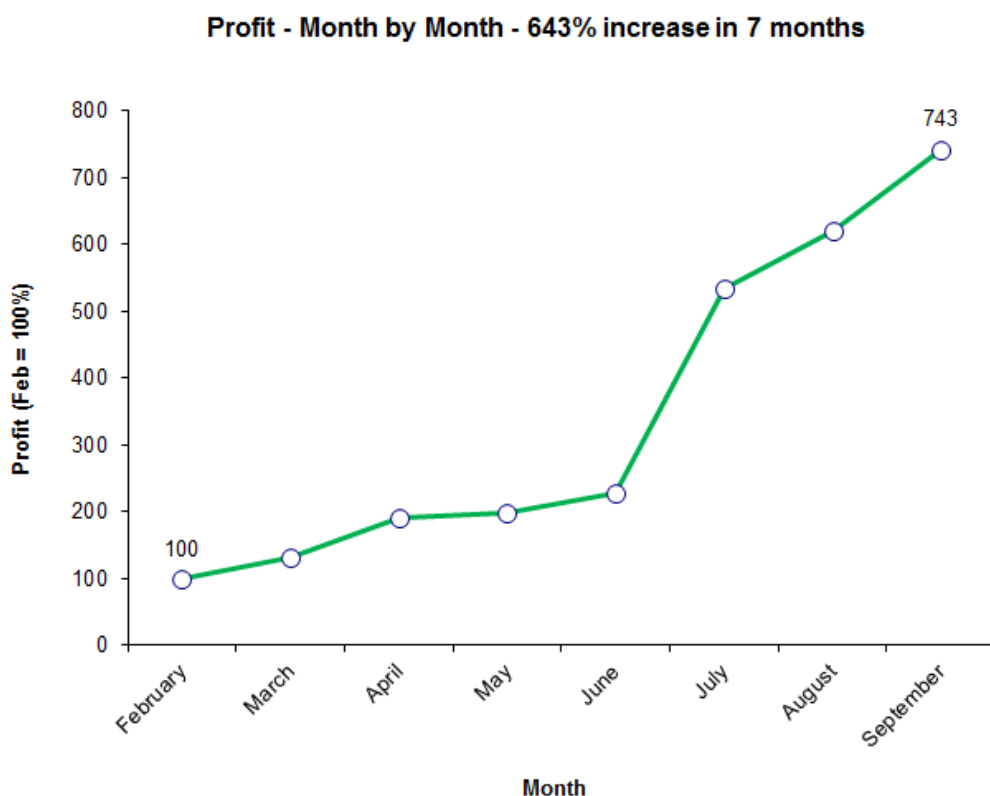
# Appendix 1: The PPC Multiplier Method In Practice – 643% Increase In Profits

KashFlow is a SaaS accounting software company. Before they hired me, they'd been advertising on Google for 8 years and had used a couple of "big name" PPC agencies.

Below, I describe how I approached optimising their account. As you'll see, I only used a few of the SaaS Multiplier Method levers: impression share, click rate and landing page optimisation.

But, despite that, I increased their PPC profits by 643% in just 7 months.

Note: I've left out sensitive data. So the chart below is rebased so the starting profit is 100. The increases in profit are expressed as percentages relative to that.



Finally, because they were a well-known company, they'd get a lot of searches for their brand name.

I've excluded that data from the case study as, although the profit from brand searches increased by over 30% – due to increased ctr and conversion rate –

there are far fewer opportunities for PPC optimisation when it comes to brand searches.

## Month 1

I started by asking KashFlow what a conversion was worth. Using that data, I could see the cost per conversion was 79% of the value of a conversion. Or, to put it another way, they would spend \$1 and get back \$1.26 – a profit of 26%.

26% is not particularly bad in a competitive market but, as you'll see, after 7 months, I'd increased it to 89%.

When I took over, the campaign was poorly structured. There were a number of campaigns, some of which had hundreds of active ad groups – one had 477 ad groups.

These ad groups overlapped to the point where there was no way to know which ad group would be triggered by a particular search.

On top of this, the previous agency had used bid management software. As a result, the bids varied hugely within ad groups. And, looking at historic data, the differences in bids didn't reflect the conversion rates of different keywords.

So my first step was to simplify the account. That way, it would be clear which ad group would show for any particular search.

Each resultant ad group – and there were around 90 of them – was tightly themed around one keyword idea. I also split ad groups into (a) phrase + exact match, and (b) broad match.

Using historic search query reports, I estimated the cost per conversion for each ad group – and set the bids accordingly. All bids were set at ad group level, rather than keyword level – i.e. every keyword within an ad group had the same bid.

Doing that meant I could get a clear picture of the ROAS for different keyword themes – and how that varied across different match types.

Finally, I also deleted some obviously losing ads.

The result: the spend decreased 11%, conversions dropped 1.5%, cost per conversion dropped 9%, profit per \$1 increased to 39p. Profit in month 1 was 33% higher than when I started.

Because these changes took some time to implement, we didn't get the full value of these in month 1. So it's fair to assume the real level of improvement was far greater than 33%.

## **Month 2**

This was mainly a continuation of the work done in month 1. As data came in, I continued to adjust bids, delete losing ads, write new ads, and break up ad groups where appropriate.

Month 2 results: the spend increased 42% month-on-month, but that resulted in 42% more conversions. Profit per \$1 increased slightly to 40p. Profit in month 2 was 91% higher than when I started.

## **Month 3**

This month saw a continuation of the work done in the first two months. But I also started looking at the landing pages being used. I felt I could improve on them, so I wrote a new page that went live at the end of this month.

I tested this page in the 15 highest-volume ad groups. It averaged around 20% higher conversion rate but, as you'll see, that didn't start paying off until June (month 4).

Month 3 results: Due to (mainly) ad split-testing, profit increased to 99% higher than when I started.

## **Month 4**

The 'normal PPC work' continued. But we started to see higher conversion rates thanks to the new landing page. (Remember it was only running in 15 ad groups and only half the time – because it was being split-test against the existing landing pages.)

Month 4 results: The success of the previous month's work meant I could increase bids. As a result, the spend went up 21% month-on-month, conversions were up 19%, profit was up 128% compared to when I started.

By this point we were getting 66% more conversions per month than before I started. Our cost per conversion was down 10%. So, although spend was up by only 50%, profits were up by 128%.

This is what happens when your campaigns become more effective: you can bid for higher ad positions, and still make more profit per conversion.



## Month 5

As you'll see from the chart at the beginning of this appendix, this is when the landing page really started paying off.

I initially tested it in 15 ad groups. By now, it had proven itself superior in almost all these ad groups. This meant all the traffic in those groups was going to this higher converting page. I started rolling out the test to more and more ad groups.

Month 5 results: As a result of this, the cost per conversion was 30% lower than when I started. Or, to put it another way, instead of paying \$1 to get back \$1.26, we were paying \$1 to make \$1.80.

Because we were now so competitive, we were bidding for ever-higher ad positions. Our spend was 76% higher than when I started.

In return for this extra spend, we had 150% more conversions and a 434% higher profit!

## Months 6 and 7

There were no new landing pages during this time, but I did continue to roll out the landing page from month 3.

I was also continuing to split-test ads, tweak bids, add the occasional new keyword idea (hard to find when you start with an account that's 8 years old), adding negative keywords.

However, as you'll see from the chart, profit continued to increase: +521% in August, +643% in September.

By the end of September, things looked like this:

February v September	
	Difference %
Clicks	+112%
Impressions	+59%
Ctr	+33%
Cost/click	+4%
Cost	+121%
Conversions	+232%

Conv rate	+57%
Cost / conv	-33%
Profit/conv %	+126%
Total Conv Value	+232%
Profit	+643%
Profit per \$ spent	+239%

As you can see, spend increased by 121%, but that resulted in 232% more conversions.

All of this was made possible by lowering the cost per conversion. By cutting that by 1/3, we ended making 126% more per conversion. That allowed us to bid more and get higher ad positions.

And that's the cornerstone of the SaaS Multiplier Method: using conversion rate optimisation to improve ad positions.

That gives you more impressions, higher clickrate, more conversions etc... to a far greater extent than if you just worked on the PPC account.

Of course, I coupled that with account optimisation. So the gains from both sides multiplied like compound interest and gave the 643% increase in profit we wouldn't have achieved if we'd only done PPC work, or only done conversion rate optimisation.

## **Appendix 2: How I Can Help You**

Here are the main services I offer:

### **PPC Multiplier Method Implementation**

It typically takes around 6 months to properly implement the PPC Multiplier Method.

It's pretty intense work so, to make it worthwhile for both of us, you really need to have a profitable PPC account that's spending at least \$500,000 a year...and be willing to at least double that spend.

### **PPC optimisation and management**

Google Ads have gotten increasingly complex over the last 15 years.

And that means they're increasingly hard for business owners to self-manage - or why it's a bad idea to give the task to you IT guy or web designer.

Hiring an experienced professional will usually pay off – in both increased ROI and saved time.

As Red Adair once said, "If you think it's expensive to hire a professional to do the job, wait until you hire an amateur".

With this service, I take over the day-to-day management of your account. That might be for a few months as I optimise it. Or it could be indefinitely as your long-term PPC manager.

This service does include landing page optimisation. But I leave the up-selling/backend stuff to you.

This service is best suited to companies spending more than \$250,000 a year on PPC.

### **PPC/Digital Marketing Consulting**

I've worked with, or consulted for, hundreds of businesses. Each of them was doing some smart things - which could be adapted and adopted by other businesses.

And most of them were doing some not so smart things – mistakes to avoid.

That gives me a perspective far broader than you'd get from running just one business.

So, rather than spend the next 14 years learning the principles and techniques of marketing, why not borrow my experience instead? That way, you get the results now, not 14 years from now.

So whether you want me to audit your PPC account, review your website copy or your sales funnel, or just give you feedback on ideas to grow your business online, I can help.

This service would suit any business with a gross margin (sales minus cost of fulfillment) of \$500,000+ a year - but doesn't have to be all from PPC.

### **How to contact me**

If any of these services interest you, you can get in touch with me via my website: [www.ppcmultipliermethod.com](http://www.ppcmultipliermethod.com)

Or, if you just want to connect online, you can find me on LinkedIn here:

<https://www.linkedin.com/in/steve-gibson-marketing/>

## **About the author**

Steve Gibson is a marketing consultant, ppc manager and copywriter.

He's been helping businesses grow since 2006.

He's usually based in Edinburgh, UK, but is also known to roam around Europe for months at a time.