Can Pay Per Click Still Deliver Profits For Advertisers

Contributed by Robert Hartness
Monday, 09 January 2006
Last Updated Monday, 09 January 2006

Until fairly recently, I used to find it real easy to make a healthy profit from pay-per-click advertising. In fact, I never even considered any other form of advertising.

Â

Until fairly recently, I used to find it real easy to make a healthy profit from pay-per-click advertising. In fact, I never even considered any other form of advertising. It was so easy just to knock-up a simple ad, add funds to my account with a popular pay-per-click search engine, choose a bundle of popular related keywords and then sit back and wait for the sales to come in!

It was that easy!

To determine how much I could spend on my campaign and to calculate my maximum bid, I would use tracking software to discover the source of my sales and then simply divide the gross amount achieved by the number of visitors to my site.

It was scientific marketing that produced a real return on my investment

However, over time my results began to change... unfortunately for the worse! As more and more advertisers took advantage of the fast and easy access to niche markets by ppc advertising, the competition for those popular keywords to gain pole position became more fierce. Everyone wanted to be at the top to gain the most traffic. The result was a bidding war!

The battle to reach the top became detrimental to the advertiser. As the bids increased, these popular terms which previously used to attract large chunks of profit became too expensive. Instead of providing a return on my investment, the campaign began to cost more than the amount that was returned in sales. I tried lowering my bids but the amount of traffic that was delivered rendered my campaign ineffective.

This was my situation only a few weeks ago and if you are an online advertiser who has had success in the past with PPC then this brief story will probably sound very familiar...

So when I released my latest ebook I was very cautious this time with my PPC advertising. In the past I wouldn't think twice about investing heavily in a popular ppc search engine campaign, but this time I was determined not to simply throw money away just to gain search engine exposure.

I made a comparison test between 3 different Pay Per Click Traffic sources with an investment of $200 in each campaign on my latest ebook 'Cash From Your Camera'
http://www.cashfromyourcamera.com

The first was the most popular of the PPC systems - Google Adwords

The second was another fairly popular source of PPC traffic - Kanoodle at http://www.kanoodle.com

Finally, I tested a new kind of traffic source - Have Traffic at http://www.havetraffic.com. This isn't a pay-per-click search engine but it is a type of PPC advertising. They say that their traffic achieved through a network of related sites instead of a direct result from a search engine.

Here are my results....

Google's traffic was the most expensive at 45 cents per click for the list of targeted keywords that I chose. They delivered a total of 449 visitors to my web site for my $200 investment. I got one sale and 20 sign-ups to my newsletter. So the sign-up conversion rate was 4.4% and my return on investment was 43%

Kanoodles's traffic was disappointing although much cheaper. I actually received 1523 visitors for my $200 investment. This works out at less than 8 cents a visitor for the same keywords. But the campaign resulted in zero sales an only 2 sign-ups to my newsletter...not good!

Surprisingly Have Traffic produced the best overall results

They provide traffic at a flat rate of 20 cents a visitor so I received 1000 visitors for my investment of $200. The traffic returned a total of 3 sales and 46 subscribers to my newsletter. The return on my investment was a 135% plus I received

46 leads with which to follow-up

Just one of the campaigns broke even and that one only earned 135% ROI. I'm sure that if I optimize everything a little better then Google and Have traffic would provide a real profitable return on my investment. Unfortunately it does appear that Kanoodle is a bust no matter what I do. Its a shame. In the distant past I could count on decent traffic from them

I guess that if I had used different keywords then it may have been possible to achieve different results for the campaigns

But overall, this test shows that it is still possible to find cost effective pay-per-click advertising. You just have to look harder (sometimes at unexpected sources) and optimize your adcopy quite a bit more than was necessary in the past for even solid known good sources of traffic like Google.

An article by Robert Hartness, successful freelancer and writer of Cash From Your Camera which offers a step-by-step guide to those on the threshold of freelance photography and is illustrated with 40+ published photographs. Acclaimed as a great reference source for serious freelancers.

For More information please visit http://www.cashfromyourcamera.com