



PPC 101 for B2B Digital Marketing

The ABM Agency White Paper



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Introduction

Pay-per-click (PPC) advertising has become one of the most common B2B digital marketing channels due to the immense value it brings to the table—for every \$1 spent on PPC advertising through Google Ads, there's a return of almost \$2. PPC strategies also offer greater control of budget and targeting, helping to increase engagement by serving relevant content to specific audiences actively searching the web. In order to build an impactful PPC campaign, though, you must understand what PPC is, how it works, and how it's utilized at each stage of the sales funnel.

What Is PPC?

Pay-per-click advertising—the most common paid search model—is a search engine marketing (SEM) strategy that allows you to advertise to a target audience while only paying for direct clicks. With PPC, you can pay to have your ad appear at the top of Google’s search results or on another website for immediate exposure; paying for direct impressions and engagement cuts wasted ad spend.

Some common PPC ad formats and their benefits include:

Text ads increase click-through rates (CTR) and website quality scores and decrease your cost-per-action.

Display ads improve brand visibility and awareness among a target audience.

Social media ads provide enhanced targeting features that help deliver your content to a relevant audience.

Gmail ads deliver a more personalized ad experience, right to your target audience’s inbox.

This is by no means an exhaustive list of PPC ad formats campaigns. You should research all of the various formats to understand the benefits and impact of each type in order to use the most effective format for your campaign goals.





PPC Terms to Know

There are a few key terms and phrases to be familiar if you want to have a thorough understanding of how paid search works within a digital marketing campaign.

Keyword: A relevant word or phrase you incorporate into your ads or content; it's used to define where your ads will appear.

Keyword bid: A bid placed in a pay-per-click auction for a specific keyword to secure placement of an ad at the top of the search engine results page (SERP).

Click-Through Rate (CTR): The rate at which your ads are clicked; it's measured by dividing the number of users who clicked your ad by the number of users who viewed your ad.

Cost-Per-Click (CPC): The actual price paid for each individual click. If you spend \$100 on an ad and receive 50 clicks, your CPC would be \$2.

Impressions: An impression refers to how many times your ad was seen by an audience.

Conversion Rate: The percentage of users who interact with your ad and eventually lead to a conversion event (website visit, form submission, asset download, etc). Conversion rate is used to judge the effectiveness and success of your ads.

Quality Score: Search engines examine your ads, keywords, and website to determine the quality of your content and score accordingly. The better your quality score, the higher your content will rank on SERPs.

Ad Formats: This refers to the type of ads used in your campaigns. Text ads, video ads, banner ads, display ads—these are all common ad formats.

Bid Adjustments: A way to refine your ad bids based on more specific parameters—such as time of day or day of the week—in order to optimize your ad spend.



How Does PPC Work?

Any time there is a spot on the internet designated for an ad—whether that be on a website, mobile app, search engine—an instantaneous keyword auction takes place. This happens in a matter of milliseconds, and bids are placed based on multiple factors established by the advertisers; these include maximum bid price (the established CPC criteria) and the quality score of the ad.

In order to be involved in the bidding process, advertisers must use an ad network. An ad network is a platform that connects websites with ad space for sale to advertisers seeking to purchase ad space. There are many ad networks on the internet, but the most popular by far is Google Ads, which allows advertisers to purchase Google search engine ads, Google shopping ads, Google display ads, Gmail ads, and YouTube video ads.

How Paid Search Works With SEO

PPC and SEO work in tandem with one another; PPC is great for generating immediate impressions while SEO is an organic, long-term approach for growing brand awareness through search results. Pairing the two strategies also allows greater insight into keyword selection; you can combine data from both PPC and SEO efforts to find the highest performing keywords. As organic traffic grows, adjust your PPC efforts to focus more on promoting specific offers and increasing leads while your SEO strategy continues growing brand awareness.



Benefits of PPC Advertising

The first major benefit of paid search is having the ability to target audiences actively researching products or services in your industry. This is beneficial for attracting new customers who otherwise may not have found your website through organic search efforts. By targeting these “in-market” audiences, your ad spend is used more efficiently and generates higher-quality leads.

The second benefit of PPC advertising? The improved ability to track campaign data. Impressions, clicks, bounce rates, audience demographics—all of these can be tracked, making it easier to adjust your campaign strategy if something isn’t working. Tracking these metrics allows you to understand your target audience’s behavior and create data-driven plans to increase engagement and conversions.

Finally, PPC gives you greater control over your campaigns in general, allowing you to refine target audiences as much as you’d like. You have more control over how your budget is allocated, with the power to adjust it in real-time (down to each hour of the day). With this increased control, you leave nothing to chance; you can feel confident you’re using your ad spend on the right people at the right time.



Why PPC is Crucial for B2B Marketing in 2021

Ever receive an email offer from a website with your name in the subject line or a banner ad for a product you were just researching? Of course you have. Customers today have become accustomed to personalized messaging via ads and now expect a certain level of specificity. The figures don't lie: According to an [Online Personal Experience](#) study conducted by Janrain (now Akamai), "74% percent of online consumers get frustrated with companies when content has nothing to do with their interests," and for this reason, paid search will be even more important than ever in 2021. Using PPC tactics, you can deliver custom, personalized ads to your refined target audience groups; they get the content that's relevant to them and you increase your CTR and conversion rates.

Why PPC is Necessary for Account-Based Marketing and Demand Generation Campaigns

Account-based marketing (ABM) and demand generation campaigns are similar in the fact that they use data to inform all decisions and focus on only delivering tailored content to in-market audiences. By running a one-to-one or one-to-few campaign, though, there's the possibility of missing an opportunity to engage with a prospective customer outside of that audience. With PPC strategies, you can cost-effectively target users who share similarities with your previous customers—all while excluding those who have previously converted.

Additionally, by running a PPC campaign through Google Ads, you can incorporate Google ad customizer which automatically adjusts your text ads for optimal performance according to device, location, time, and date. Google ad customizer makes it easier to automatically deliver tailored ads to your target audience and improves the scalability of your ads by taking a single text ad and creating hundreds of variations depending on each unique search query performed by your target audience. Google ad customizer also provides in-depth reports on the impact of each ad.



Different Ways You Can Target with PPC

Targeting is one of the most beneficial (and crucial) features of paid campaigns. While “targeting,” is a broad term, PPC offers various targeting techniques at your disposal.

Search Targeting is when you target an audience performing internet searches based on specific keywords or phrases that are relevant to your company, service, or product. Search targeting is one of the most popular forms of targeting because it increases engagement with audiences actively searching for businesses like yours but may not have found your website otherwise. If you’re uncertain about the best keywords, you can use a keyword planner or Google’s Dynamic Search ads to crawl your website and content for data and serve ads to users based on search queries that match your site’s content.

Display Targeting is the process of delivering ads to users based on behavior that might indicate interest in your brand. Display targeting can be refined and customized in many different ways; you can target users visiting specific websites, users engaging with content that matches the content on your site, or you can even select specific topics and audiences who engage with content related to those topics. This type of targeting differs from search targeting in that it seeks to engage with audiences who are not actively searching but have interacted with relevant industry content and may likely be defined as “in-market” in the near future.

Placement Targeting is when you provide Google with a specified list of websites that you want to serve ads on. For instance, a small startup B2B CRM company may want to use placement targeting to serve their ads on Salesforce’s website to try and find in-market audiences shopping for a new CRM. Rather than try to beat out Salesforce in Google’s SERPs, they meet the audience where they are or will be.





PAY PER CLICK

Keyword Targeting works differently when used with search targeting and display targeting. Targeting keywords for search will deliver your ads to audiences when they perform searches using one of your designated keywords. With display ads, on the other hand, you provide Google with a list of keywords and Google scans the internet for content that broadly matches your keyword list and serves ads to audiences engaging with that content. The difference being using keywords with search targeting will deliver ads to in-market audiences actively shopping in your industry while using keywords with display targeting will deliver ads to audiences engaging with relevant content regardless of whether or not they are actively shopping.

Audience Targeting gives you the tools to target specific audiences based on their internet behavior or the content they have recently engaged with that may be relevant to your business. For example, you can target people who recently watched a YouTube video comparing businesses in your industry or you can target people who have recently followed social media pages in your industry.

Due to the acquisition of LinkedIn, Microsoft Ads allows for additional audience target capabilities: company name, industry, job level. At surface level, this allows for direct targeting of high-value accounts, but if you dig a little bit deeper, you'll see a hidden benefit. By utilizing company-based targeting inside of Microsoft Ads, you're able to further uncover your pipeline by investigating search queries made by your target account list. These search queries stand as a window into the mind of your prospects and lead to uncovering information that otherwise would be impossible. This allows for further personalization of outreach directed toward that prospect.

The most impactful marketing campaigns use a combination of targeting techniques. Understanding the different types of targeting and how to use them is crucial, and if used improperly, you can miss out on valuable conversions.





Where PPC Works in the Sales Funnel

Awareness Stage

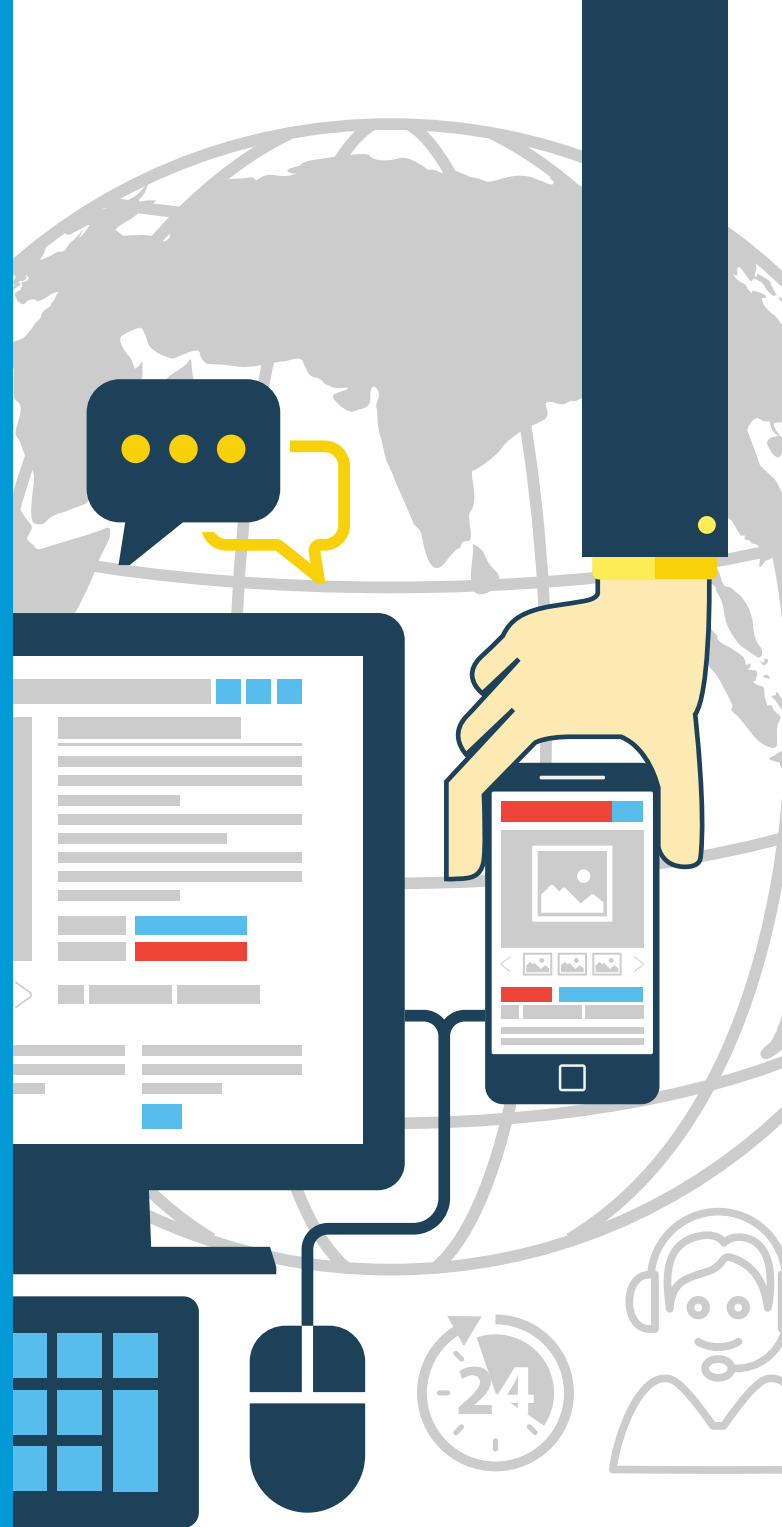
At the top of the funnel—the awareness stage—the goal is to increase awareness of your brand with your target audience. Companies use PPC tactics to deliver ads to target audiences that are not actively searching for their brand but are engaging with relevant content. Typically, in the awareness stage, PPC campaigns focus on capturing target audiences performing early industry research such as “what is [product or service],” or “who are the top [businesses in a specific industry]?” The goal is to build brand awareness early on in your target audience’s research stage.

Evaluation Stage

In the evaluation stage, PPC tactics are used to outrank your competitors. Here, you can adjust your search targeting budget to focus on high-intent search terms; that way, your ads will rank highest when audiences perform searches that display a clear intent of making a purchase. In doing so, a customer searching the phrase “how much does [product or service] cost?” will be served an ad for your product and not your competitor’s. This is important because while the average CTR for typical PPC campaigns is 2%, the average CTR for the top paid result in Google search is **four times** higher.

What about the middle of the funnel?

While paid search can be valuable in the middle of the funnel, it’s not the most cost-effective strategy to use. Why? At this stage, your desired keywords will likely be more expensive. Getting into a bidding war against companies on more specific industry keyword terms such as “best [product] in the industry” is not the best use of your ad spend. Other digital channels, like content marketing and programmatic, work more efficiently at these stages.



The Final Question: Are Your PPC Efforts Working?

Ultimately, success of your PPC campaign can be measured in a few different ways. Start by understanding your cost-per-conversion, which is beneficial in helping you determine the overall impact of your ads. Cost-per-conversion is measured by taking the total amount spent on an ad and dividing that by the total number of conversions the ad generated. If you spent \$100 on an ad and the ad generated 10 conversions, then your cost-per-conversion would be \$10—the lower the cost per conversion, the better.

Another way to measure the success of an ad is by combining click-through rate (CTR) and cost-per-click (CPC) data to have a full understanding of your campaign's ROI. If your ads are fully optimized, you should have a high CTR and low CPC, leading to a high conversion rate and a lower cost-per-conversion. If your CPC is low and your CTR is high, yet you aren't seeing a high conversion rate, you may be experiencing a problem with the quality of the traffic or with the landing page experience. If this is the case, you should revisit your targeting strategies or the content the ads link to.



Conclusion

As 2021 marketing campaigns ramp up, B2B companies should focus their eyes (and budgets) on PPC. Now more than ever, PPC strategies should be utilized to enhance advertising campaigns and improve ROI. Without a well-designed PPC strategy, you won't be able to compete with **seven million** businesses using these tactics to get their names, content, and products in front of in-market audiences.





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