

## **Monthly Myth Buster:**

**Pay per click (PPC) is not an important part of an Internet marketing strategy and the focus should be on organic/free listings.**

A common uncertainty clients or potential clients express is whether or not there is a need to participate in PPC marketing programs like the ones offered by Yahoo and Google. The argument against PPC marketing is usually one or both of the following: first, that PPC is too expensive and second, that searchers will not click on the PPC ads knowing that the placement of these ads are outright purchased. In this month's Myth Buster, **RezNEWS** will demonstrate why these beliefs are simply not true. Participating in PPC marketing is necessary and doing so can have a very positive effect on the organic optimization efforts of a website.

At one time, most search engine Internet marketing channels were free. As we all know, those days are over. However, there are still people out there who feel that paying for traffic is fundamentally wrong. Looking at readily available statistics, these same people would either have to acknowledge that these statistics are inaccurate or agree that making money is in essence wrong as well. Using reasonably conservative numbers, the following example will illustrate why this is true. Let us say that you have a hotel with an average daily rate of \$100 and average length of stay of 1.5 nights. You are in a fairly competitive market so relatively speaking, the cost per click (CPC) is high and you are averaging \$1.00 per click. We will also assume that you have done your homework and your ads are well written and your landing pages can convert on the merits of both accurate search results and professional website design. Your website converts at 4% or 4 out of every 100 visitors book a room. With the above rates and length of stay, for every 100 visitors you are receiving 4 bookings for a total of \$600. That translates to a \$600 return on a \$100 outlay, not a bad return on investment (ROI)! Keep in mind that these are conservative numbers. This return should remain consistent up to a point of diminishing returns that most lodging properties do not reach. In other words, a \$1,000 ad spend should yield a \$6,000 return and so on.

Another popular belief is that people can "see through" PPC ads and will not click on them because the advertiser has simply purchased placement. This attitude is also inaccurate. Not only will people click on those links, but demographically, the searchers that use PPC links actually convert at a higher level than those who click on the "free" side of a search result. The fact that these ads are paid for is obvious to the searcher, true, however that is also part of the very reason people are apt to click on them in the first place. Paying for traffic shows a commitment to making sure that your ads are accurate, relevant, and effective. If you are committed to paying for traffic, you are also likely to do whatever is in your power to deliver exactly what the searcher is searching for. This practice is precisely what Google wants and rewards...relevant search results.

Additional benefits to PPC marketing that often go overlooked are the almost instant turn-around time on new bid setup and how that relates to testing the effectiveness of keywords. Split testing ads allow you to run the same keyword phrases with different ad copy. The idea here is to compel the searcher to click on your link and not that of your

competition. Split testing allows you to quickly identify the “winners” and the “losers” and adjust your marketing efforts and spending accordingly. It is then extremely beneficial to take the same keywords and ad copy and use them in the keyword optimization of your website. These steps will have a positive effect on your organic/free listings. Since organic keyword testing is slow and involves much trial and error, using the PPC results can greatly increase both the speed and accuracy of the organic search engine optimization component of your marketing plan.

Like all advertising and marketing, you would not want to use just one channel to attain new business and hope for the best. The better approach is to spread your time, efforts, and money across many channels and test them to identify what works and what does not. Some channels will be more successful than others. Implemented properly, PPC marketing is a great conduit for realizing a good ROI and can also be used as a tool to better optimize your website for organic placement. Any time you are spending money (and someone is making money on that spending) there are numerous pitfalls to avoid. Most of the PPC pitfalls are well documented but easy to fall into. Make sure that you and your marketing company has the experience required to deliver the high return that you are capable of getting with PPC marketing.

This month’s myth, that PPC is not an important or integral component of any online marketing plan, is...**BUSTED**.

***About the author***

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