

Pay-per-click Leads

What should you pay?

\$10

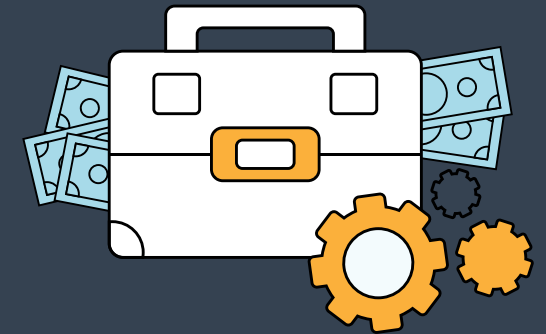
\$250

\$50

\$25

• to the web

Pay-for-click advertising
is the fastest way to
generate leads for
**highly competitive
keywords**



What should you pay for a PPC lead?

Good, common and tough question. And there are no easy answers.

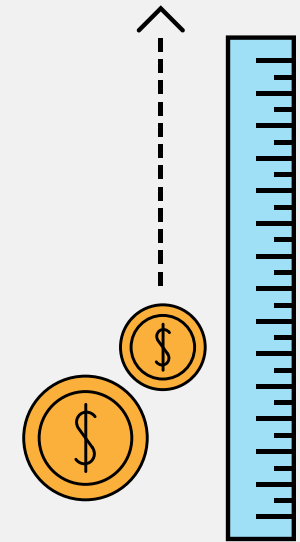
The background features several overlapping circles in shades of orange and grey. Two speech bubbles are prominent: an orange one containing '\$125' and a grey one containing '\$25'.

\$125

\$25

No benchmark exists for the cost of a lead

- No standard PPC conversion rate or cost
- Advertisers can measure a variety of actions as a conversion further complicating measurement, and
- Baseline conversion rates are different for every industry and even across products.



What do your competitors pay?

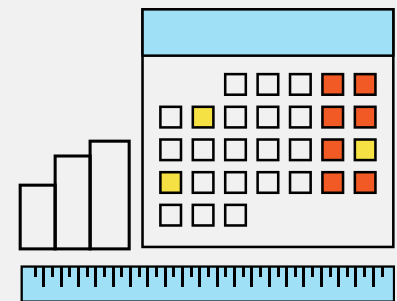
- Ad networks don't divulge competitor data; and
- You cannot know what keywords your competitors bid on (despite what shady tool vendors may say).



What actions do you want to measure?

CPAs vary...

- Request for a demo
- Lead form completion
- Download
- Online chat
- Video view; and so on...



7 Factors for Calculating CPA



1 Keyword Mix

- May or may not include your brand name (Brand keywords are generally inexpensive); and
- Short tail versus long tail keywords impact CPC.



2 Ad Networks

Conversion costs differ by media platform:

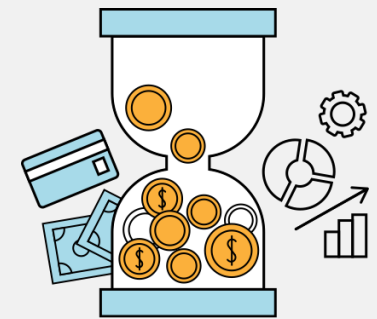
- Search
- Display Networks; and
- Retargeting.



3

Geographic Locations

Costs differ by country, region and city targeting.



4

Offer Types

Your campaign landing page may feature a variety of offers:

- For example, a product demo vs. a white paper download = much different values
- Consider propensity to buy in assigning values to actions; and
- Weigh CPA against lead value.



5

Competitive Campaigns

- A common strategy is to bid on searches for the names of your competitors and/or their products; and
- A **costly CPA strategy**, but could deliver very valuable results.





Quality Score

- A measurement of how relevant an ad is to the keyword and landing page
- Maintaining good quality scores allows for full ad delivery and lower CPCs; and
- Measured based on the likelihood of a click-through.



7

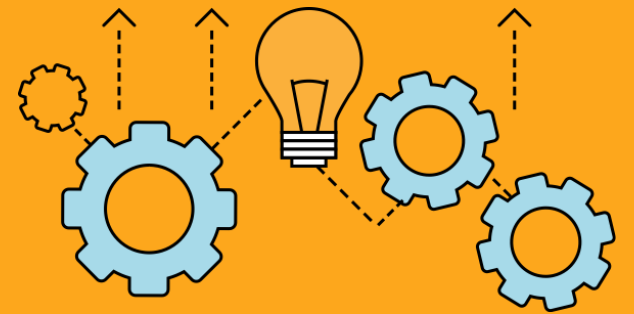
Timing

- CPAs fluctuate by seasons
- During periods of heavy ad testing; and
- Holidays



3

Additional Considerations



1

Length of Sales Cycle

- Numerous people may be involved in the decision
- Leads can take a long time to surface and qualify; and
- A buyer may initially see an ad on a mobile device and convert on the desktop (difficult to attribute to PPC).



2

Product Cost Matters

- A \$10K product vs. a \$100K product; and
- Expect lower CPAs for lower priced products.



3

Lead Actions

- Campaigns may have multiple CPAs; and
- Values differ by action.



Leads

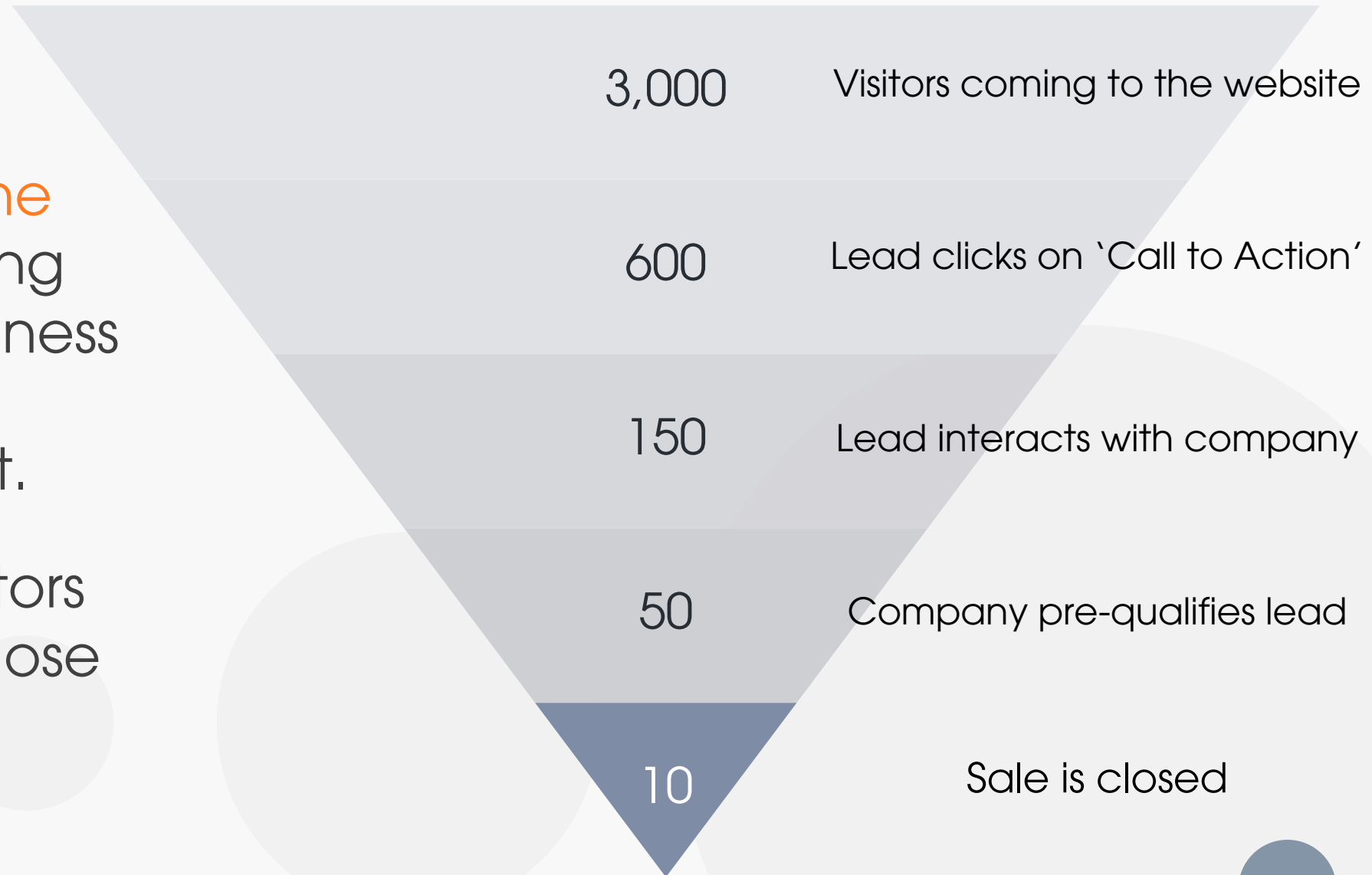
Sales is a Numbers Game

Run your conversion ratios
through the sales funnel.

PPC Leads

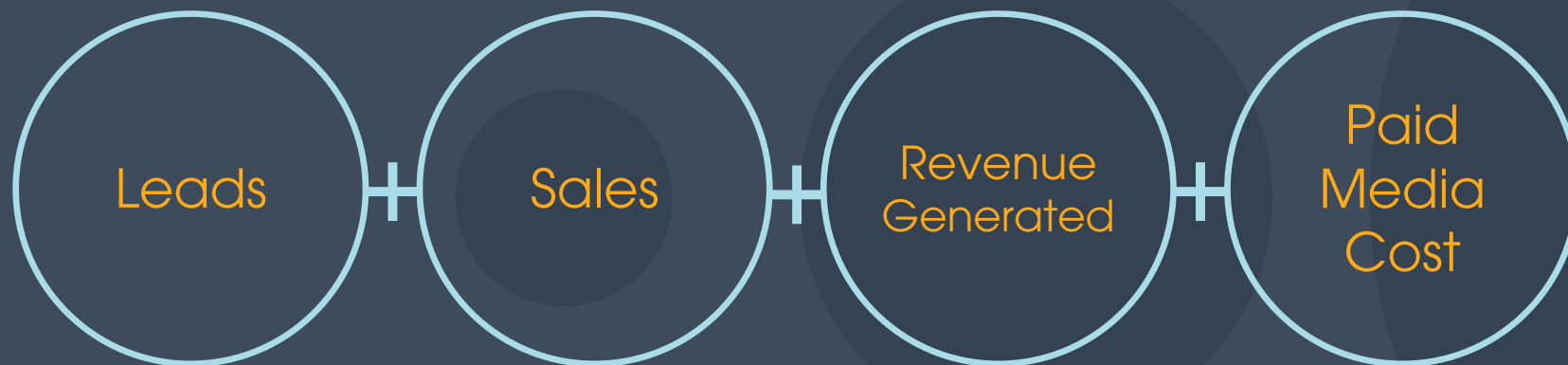
PPC is **top of the funnel** marketing to build awareness and your remarketing list.

How many visitors will it take to close one sale?



Technique for formulating **lead costs**

What you need to know to make this calculation.



Example Formula

1. How many **leads** came from paid media last year?
2. How many **sales** came from paid media last year?
3. How much **revenue** did those sales generate?
4. How much was the total **paid media** cost?

CPA = Cost Per Action
ROAS = Return on Ad Spend

420 Sales
\$270,000 (\$99/sale)

1,000 leads
\$240,000

CPL = \$571

ROAS = 12.5%

PPC Leads

PPC Platforms

twitter

f

YAHOO! | bing
NETWORK

LinkedIn
Advertising

AdRoll

Google AdWords



Convert your visitors into leads

We work with B2B companies with lead generation challenges. Our search programs drive visitors to your site – but we don't stop there – we make sure your visitors convert into leads.

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