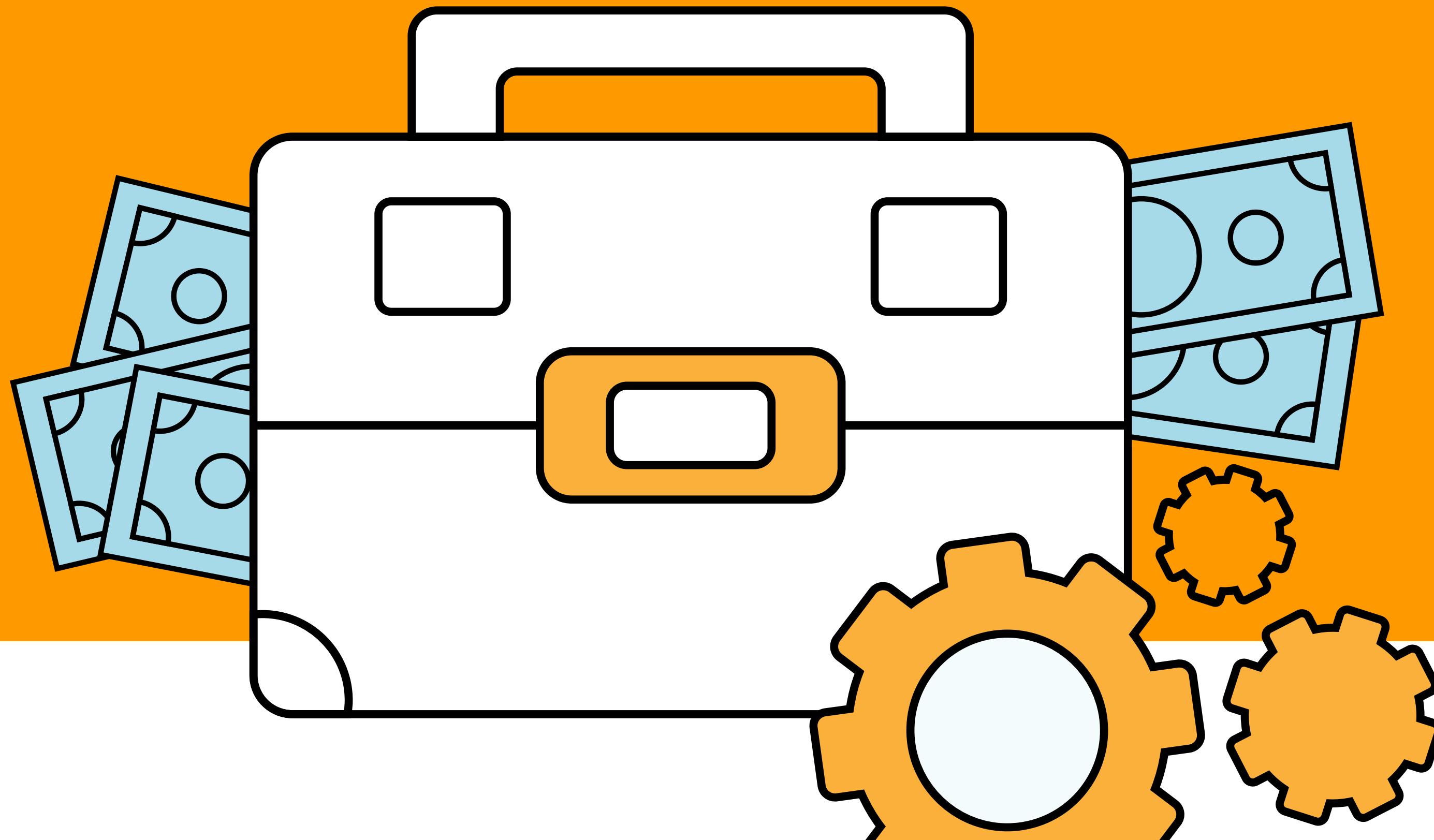


Pay-Per-Click Leads: What Should You Pay?



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



What should you pay for a PPC lead?

\$125

\$25

*Good,
Common
and Tough*

Question

And there are no easy answers

No benchmark exists for the cost of a lead

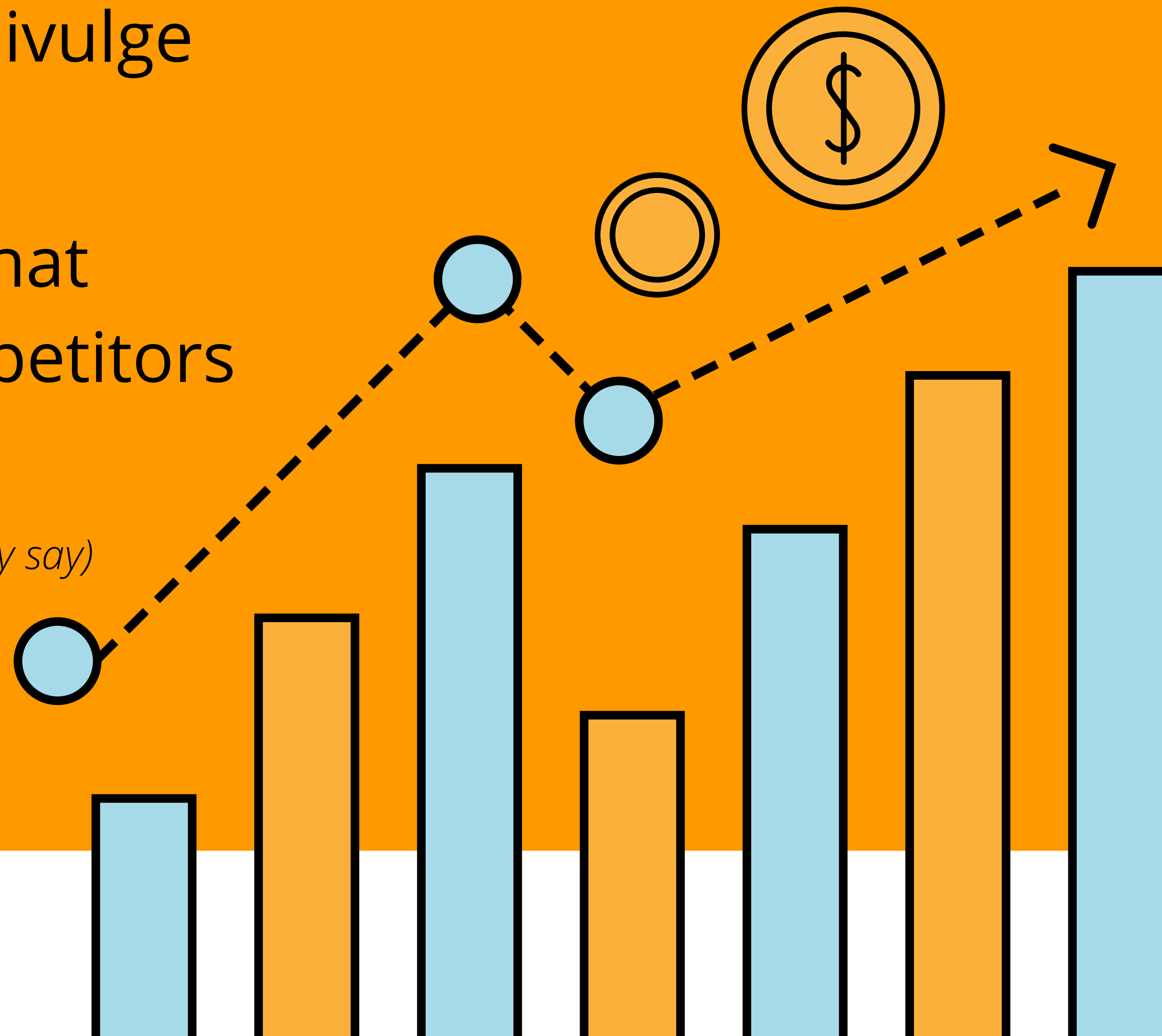
- No standard cost per action conversion rate
- Baseline conversion rates are different for every industry and their products
- Cost per actions differ between verticals and across products
- Advertisers can measure a variety of actions



What do your competitors pay?

- Ad networks don't divulge competitor data
- You cannot know what keywords your competitors bid on

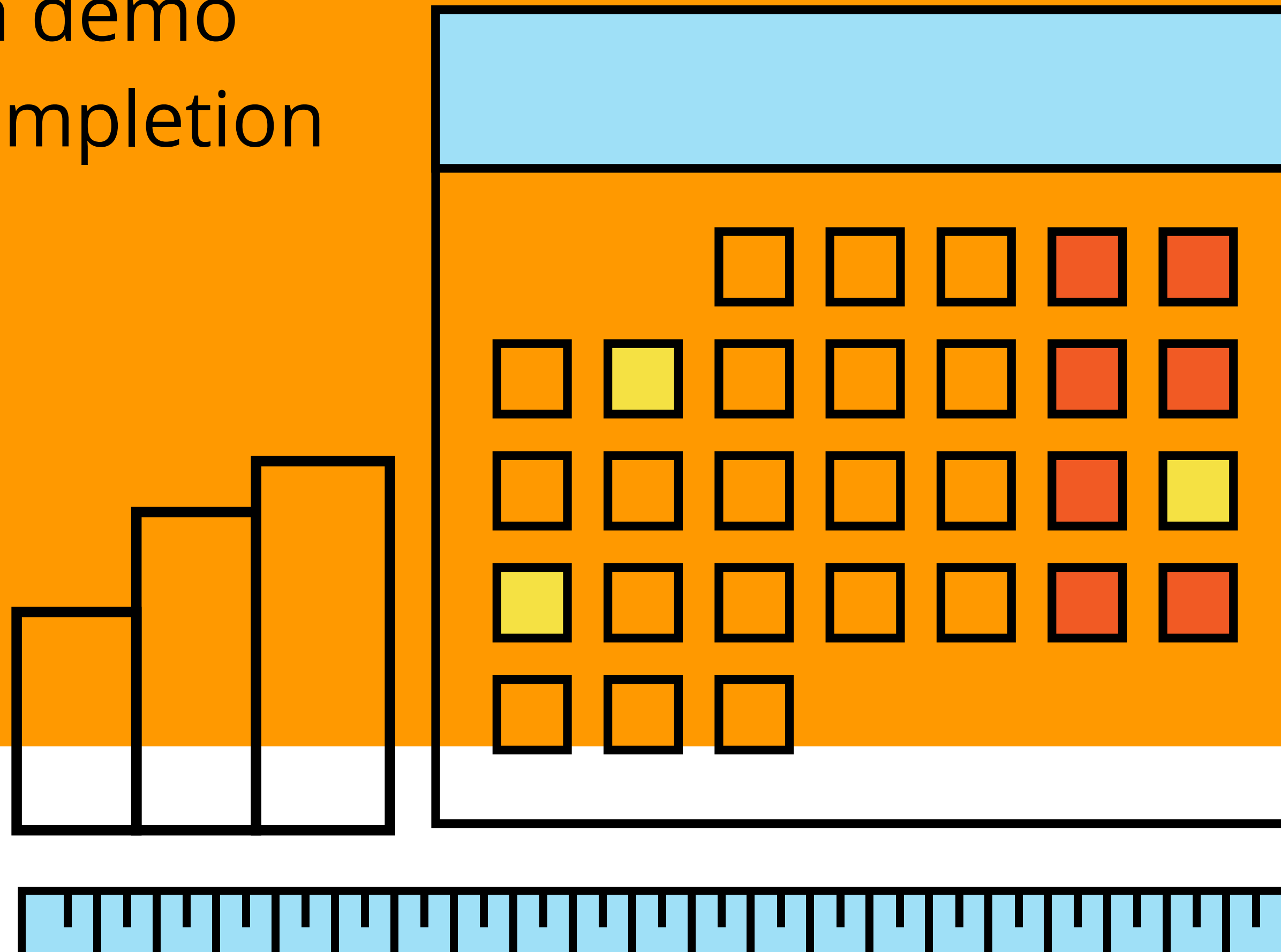
(Despite what shady tool vendors may say)



What actions do we want to measure?

CPAs vary...

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




Factors for calculating CPA

CPAs



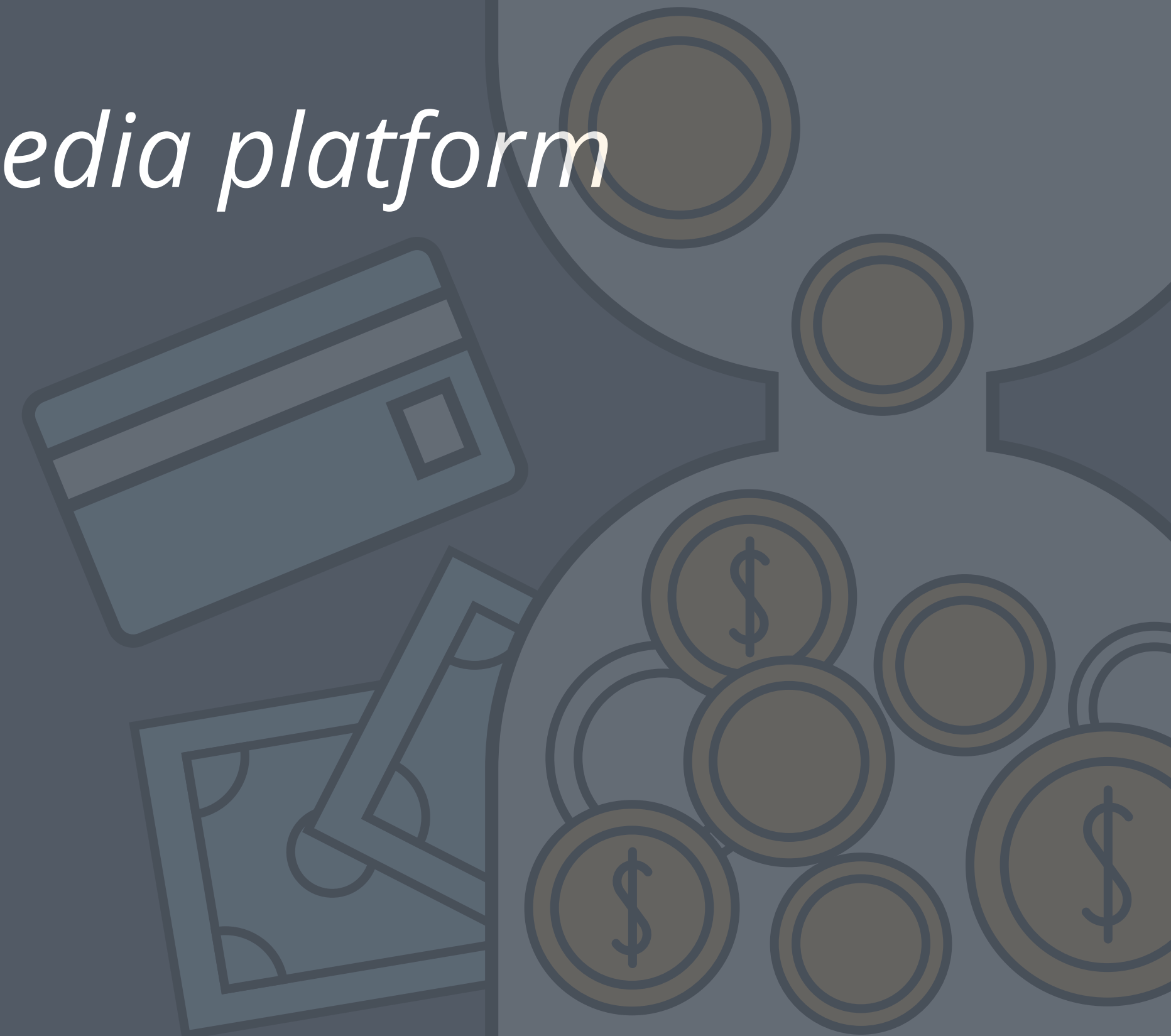
Keyword mix

- 
- May or may not include your brand name
(Brand keywords are generally inexpensive)
 - Short tail vs. long tail keywords

Ad networks

Conversion costs differ by media platform

- Search
- Display networks
- Retargeting



Geographic locations

Costs differ by country

3



Offer types

Your campaign 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
- Weigh CPA against the value of the lead

Competitive campaigns

- A common strategy is to bid on searches for the names of your competitors and/or their products



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
- Measured based on the likelihood of a click-through

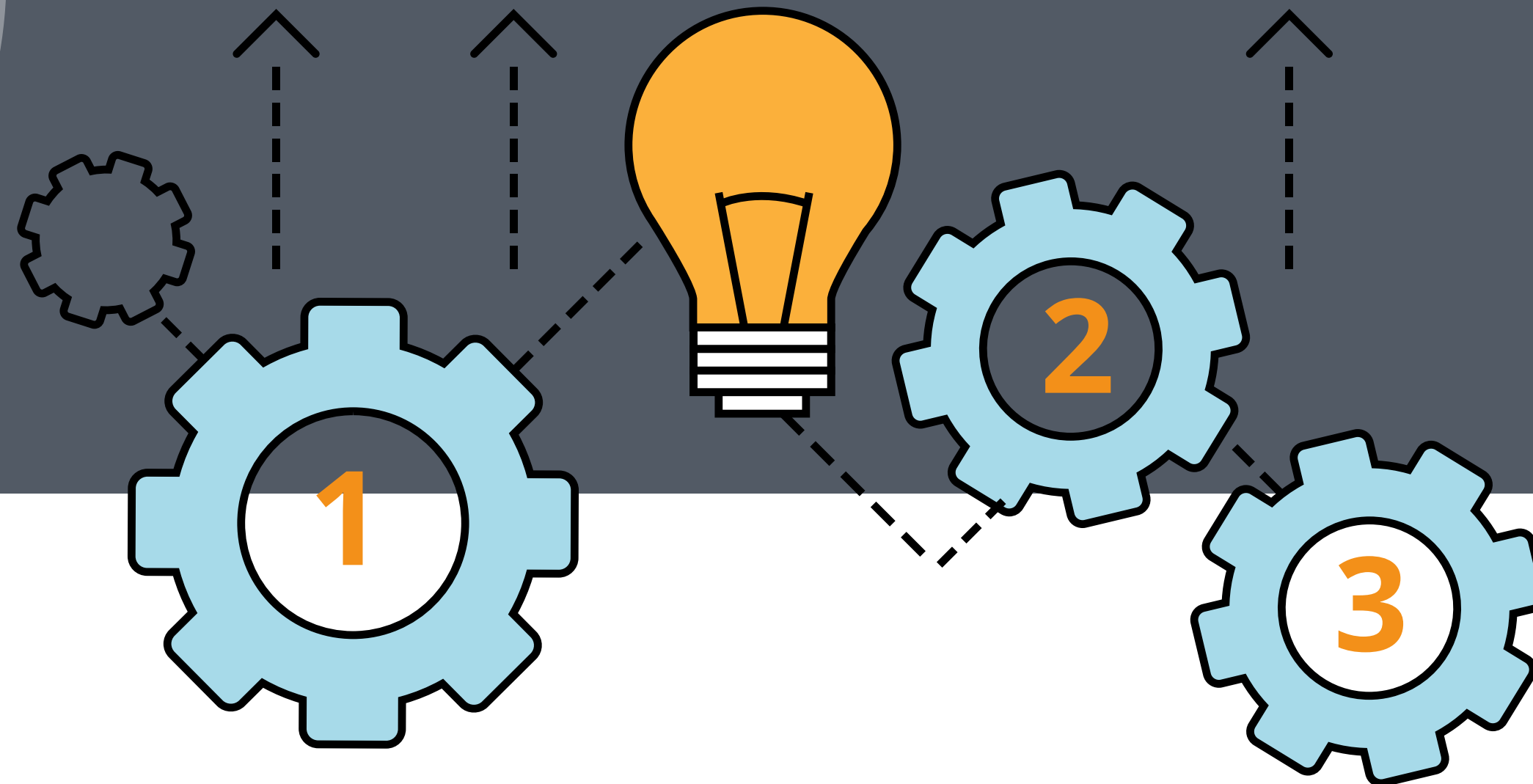
A good quality score = lower CPC + higher position

Timing

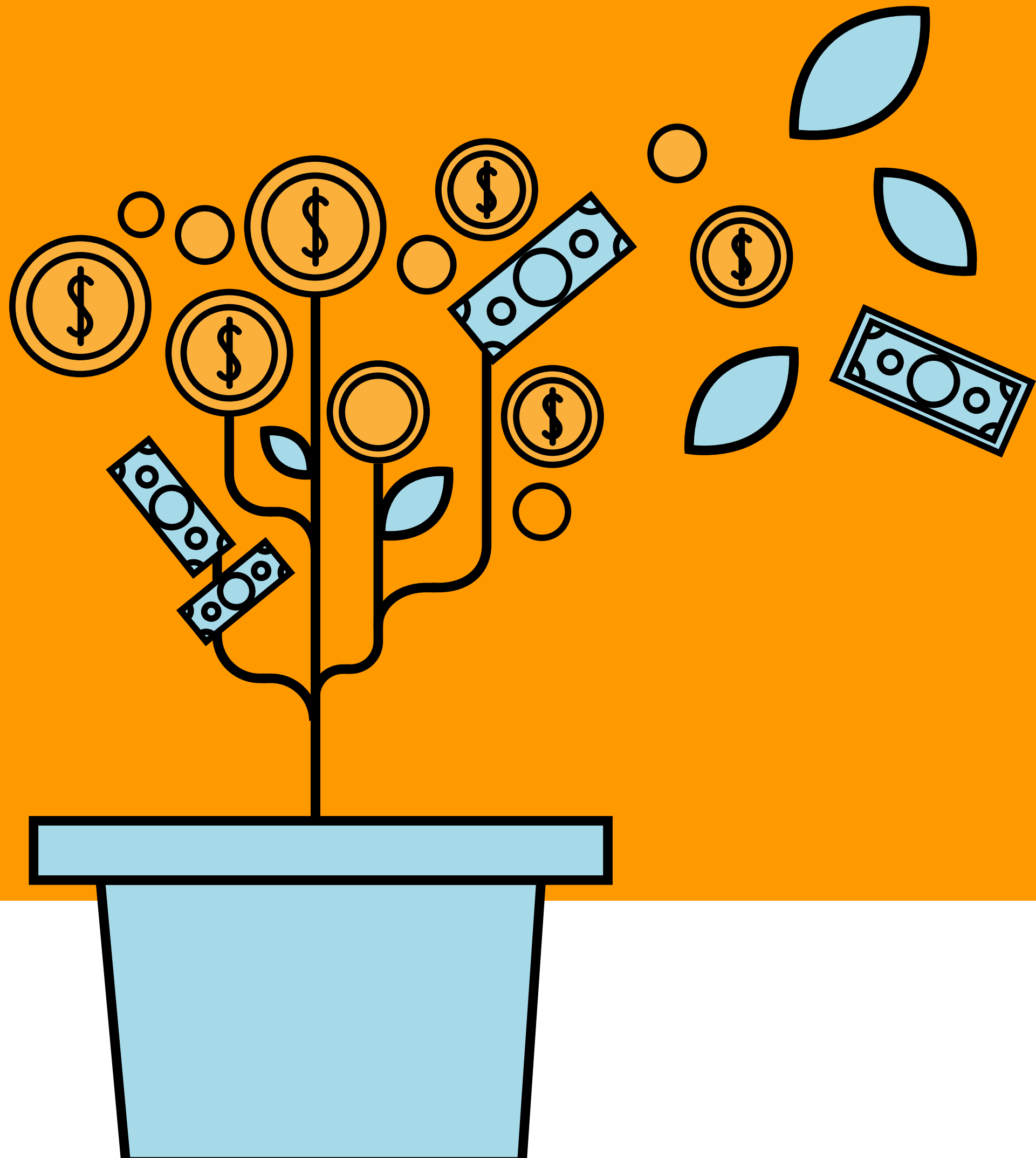
- 
- CPAs fluctuate by seasons
 - Periods of heavy ad testing
 - Holidays
- 

CPAS VON

Additional considerations



Length of sales cycle



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

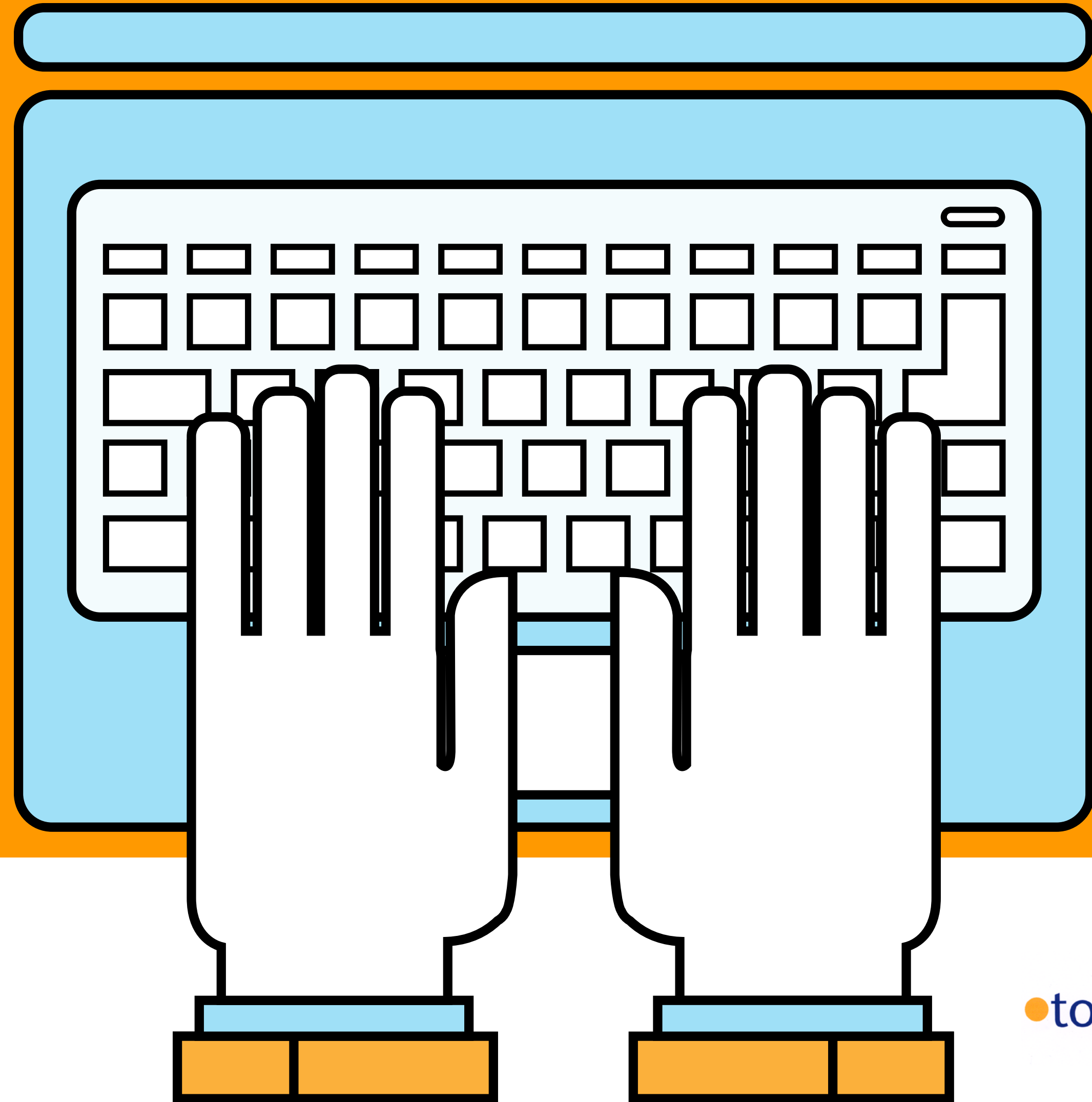
Product cost

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



Lead actions

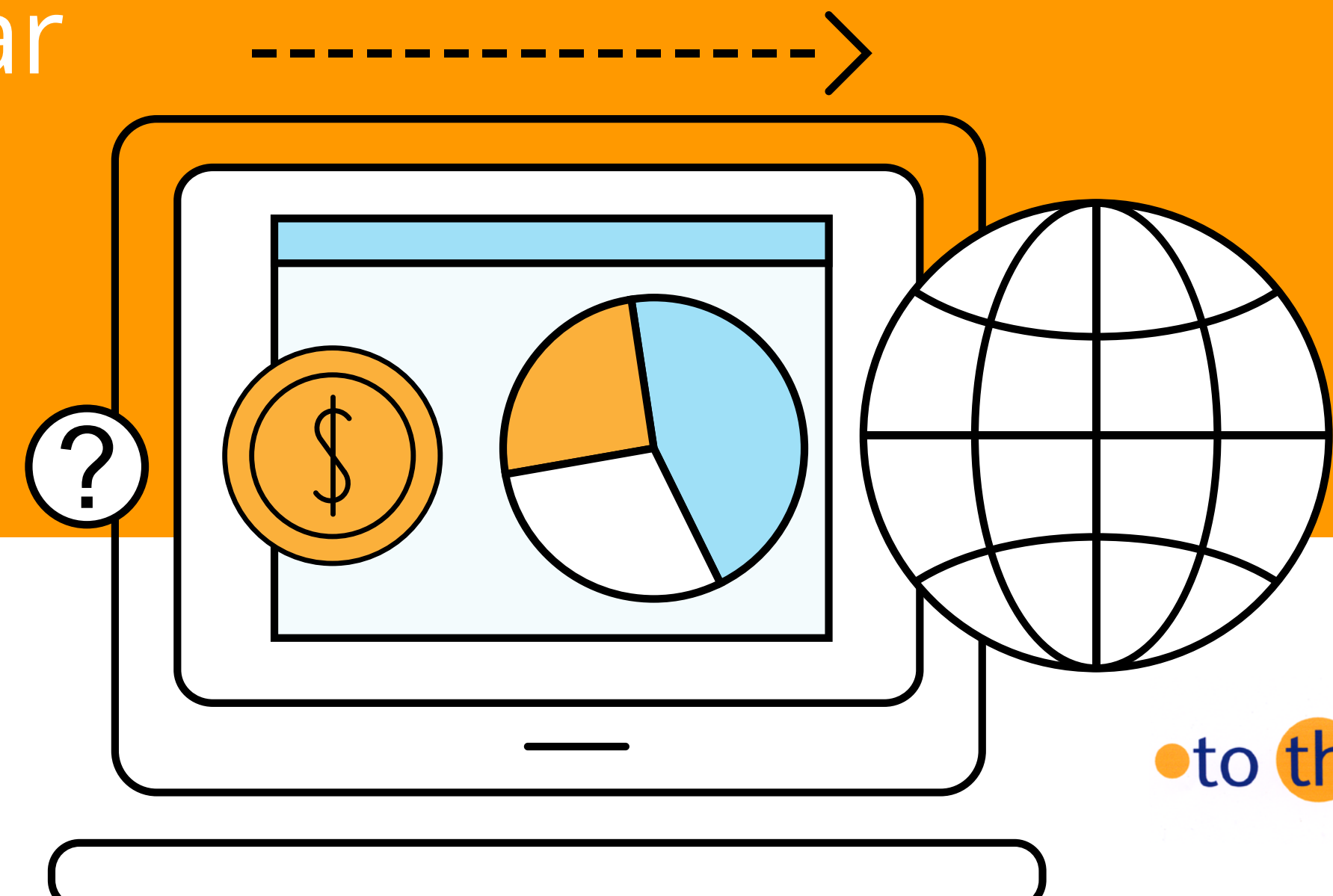
- Campaigns may have multiple CPAs
- Values differ by action



Technique for formulating lead costs

What you need to know to make this calculation:

- Leads from paid media in the prior year
- Sales from paid media in the prior year
- Revenue generated in the prior year
- Total cost of paid media



Example formula



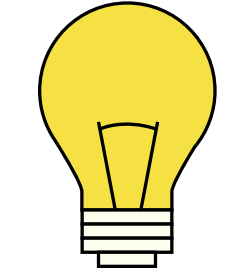
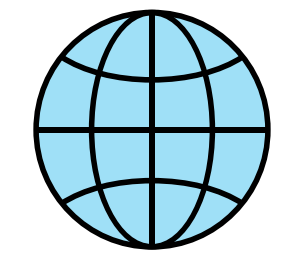
How many sales came from paid media last year?

How much revenue did those sales generate?

How many leads came from paid media last year?

How much was the total paid media cost?

PPC platforms





We work with **B2B companies** with lead generation challenges.
Our search engine programs drive **visitors** to your site.

But we don't stop there — we make sure your visitors convert into leads.

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