

# Pay Per Click- An innovative Advertising tool

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## Abstract

Many companies cannot afford advertising for promoting its good, services; online advertising brings life in many business units all over the globe with the help of Search Engine Optimization. A well structured questionnaire was served to 100 new startups business units and analyzed the results. In this paper an attempt is made to know the pros and cons of Pay per click Marketing and factors affecting PPC Marketing.

**Key words:** Pay per click, Promotion on line.

## Introduction

Day by day internet becomes an integral part of human life. Promoting business involves huge expenditure in earlier days. That's one of the reason most of the firms cannot afford advertising or promoting their businesses. Solution for the above problem is Pay per click Marketing (PPC Marketing) Every firm can afford some amount of money for its promotion PPC is the best option for them. PPC marketing is best suited for all kinds of businesses and especially for upcoming or new companies. In PPC it was assumed that unless the person is interested he will not click ads online. If someone clicks there is every chance he will become a customer to the business. Online promotion of a product or PPC marketing cannot completely rule out Physical Marketing.

It was an amazing fact that 40% of the world population use internet connection and now 65% of the metro Politian's citizens are using internet connection in their handset, tabs or in their systems. So, that it's a good platform to promote Products or services of the companies through the internet as a medium.

## About online marketing

Online advertising, also called online marketing or Internet advertising or web advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server which technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

Pay-per-click marketing is a way of using search engine advertising to generate clicks to your website, rather than "earning" those clicks organically. You know those sponsored ads you often see at the top of Google's search results page, marked with a yellow label. That's pay-per-click advertising

Advantages of PPC Marketing:

PPC Marketing is advantageous for all stake holders.

- PPC is a Measurable act: PPC process a sponsorer can easily count/record the Number of clicks

- Remarketing also possible with PPC Marketing, every customer when he clicks for the first time he may not become a customer and with the help of customer details entered in the website one can pursue the customer later on.
- PPC is economical: The sponsorer is going to pay only per number of clicks on the advertisements. Every click, the sponsorer has to pay a nominal fee and thereby it is affordable.
- PPC allows sponsorer to check/ change the contents of online add in real time.
- PPC covers Domestic and International markets at once.

However PPC is not free from Hiccups and those are

- PPC is a complicated process. PPC is complicated in terms of placing an Add in right Search engine options, so as to catch the attention of online users.
- PPC is not free and at the same time PPC adds will stop the moment you stop paying to SEO, Later its of absolutely No use. (In case of advertising even the sponsorer stop paying in all media, because of its influence people may purchase, but it's not so incase of PPC Marketing).
- PPC is at times a Gamble and risk taking.

### Review of Literature

- **Dawkins (2007)** "In fact, bid prices are so low on some of these keywords that many small profits can run highly effective in-house search engine marketing campaigns for as little as \$200 per month". Advertisers' placement on the results page is determined by how much they are willing to pay if someone clicks on their ad. Minimum bids may vary, but they generally start at around \$0.05 per click and can go all the way up to \$100 per click for some mortgage-related terms
- **Mangalindan, 2003** a study by the Pew Internet & American Life Project showed that 62% of people using the Internet do not understand the difference between organic and paid listings on a search engine results page.
- Langville and Meyer (2006) gave an example of how paid search works:
- A bike shop in Raleigh may bid 5 cents for every query on "bike Raleigh." The bike shop is billed only if a searcher actually clicks on their ad. However, another company may bid 17 cents for the same query. The ad for the second company is likely to appear first, because of high quote per click.
- Although there is some fine tuning and optimization, sponsored ads generally are listed in order from the highest bid to the lowest bid.
- Pay-per-click advertising is an innovation in marketing. Small businesses that would not traditionally advertise on the Internet are now spending much more on Web advertising because it is so cost-effective
- **Montuori (2013)** also talked about the competition for keywords that would benefit a nonprofit that accepted donations of cars. In this example, it is clear that keyword bidding can get quite expensive
- **Graham (2005)** pointed out a few examples of nonprofits taking advantage of Google Grants. For example, in 2003 Ray Rickman, the director of a nonprofit called AdoptADoctor.org, decided to put up a Web site to attract donors to his cause. He was raising money to pay doctors to treat people in Africa and Asia. Before he signed up for Google Grants, he was averaging two visitors a day and one donation per week. After signing up for Google Grants, he started averaging 300 visitors per day and 25 donations weekly. Rickman said, "[Donations came in] from all over the world . . . Substantial money, like \$5,000 or \$8,000 a week, thanks to Google".

### Objectives of the study:

- To study the Advantages and Limitations of Pay per Click Advertising
- To study the factors effecting Pay-Per-Clicks Advertising
- To analyze the steps to Increase Pay-Per-Click Return on Investment

### Methodology:

Sample Size: 100

Sample Frame: Hyderabad and Secunderabad

Sample Technique: Convince and quota Sampling.

Methods Used: Tabular Analysis, Simple and Cumulative Percentages.

Means, Standard deviation and Coefficient of Variation

### Data analysis

What type of business is you engaged?			
Ecommerce	Service	Manufacture	Others
<b>12(12%)</b>	<b>84(84%)</b>	<b>4(4%)</b>	<b>0(0)</b>
Where is your company located?			
Hyderabad	Outside Hyderabad	Outside Telanagana	Outside India
<b>81(81%)</b>	<b>5(5%)</b>	<b>5(5%)</b>	<b>9(9%)</b>
What search engines markets do you prefer			
Google Ad words	Microsoft Bing	yahoo	Others
<b>83(83%)</b>	<b>8(8%)</b>	<b>0</b>	<b>9(9%)</b>
Which type of advertising do you prefer			
SEO	PPC		
<b>4(4%)</b>	<b>96(96%)</b>		
How do you approach PPC			
By your own	Suggest by others	Inspired by others	Company employees approaches me
<b>39(39%)</b>	<b>24(24%)</b>	<b>14(14%)</b>	<b>23(23%)</b>
Did you advertised in ad words			
Once	Frequently	Regularly	Never
<b>5(5%)</b>	<b>58(58%)</b>	<b>37(37%)</b>	<b>0</b>
How much budget you allocate to internet marketing			
Less than 1lakh	1-2 lakhs	2-3 lakhs	3 and above
<b>19(19%)</b>	<b>52(52%)</b>	<b>21(21%)</b>	<b>8(8%)</b>
How much percentage of your business is internet marketing			
Less than 10%	10-15%	15-20%	20% and above
<b>3(3%)</b>	<b>63(63%)</b>	<b>26(26%)</b>	<b>8(8%)</b>
What geographical you advertise your product			
India	USA	UK	Others
<b>91(91%)</b>	<b>0</b>	<b>9(9%)</b>	<b>0</b>
What kind of Ad do you advertise			
Text	Display	Shopping	Video

<b>19(19%)</b>	<b>61(61%)</b>	<b>10(10%)</b>	<b>10(10%)</b>
How many manpower resource are you used in your company			
1	2-3	4-5	5 and more
<b>52(52%)</b>	<b>28(28%)</b>	<b>28(28%)</b>	<b>80(80%)</b>
What Purpose would you advertise through PPC			
To promote company brand awareness	To highlight the product features	To promote the Offers on products	Other if any specify
<b>62(62%)</b>	<b>18(18%)</b>	<b>10(10%)</b>	<b>10(10%)</b>
What customers are expecting from PPC advertisement			
Subscribing Newsletters for updates	Requesting for discount on products	General inquiry about product catalogues/services	Others if any specify
<b>25(25%)</b>	<b>38(38%)</b>	<b>25(25%)</b>	<b>12(12%)</b>

### Findings

- Mostly Ecommerce and services oriented business using internet marketing
- 83% of companies using Google Ad words for their pay per click campaign
- 63% of companies approaches Pay Per Click advertisement by their own
- 95% of companies advertise frequently and regularly
- 71% of companies allocate budget of 2lakhs and below for annum
- 63% of companies *getting 15%of returns from their investments for year*
- 91% Indian of companies targeted to advertise in Indian
- 80% of companies using text and display Ad
- 80% of companies hire below 3employees to work in internet marketing
- 62% of companies use advertisement to promote their brand
- 11.63% of companies expecting subscription from the viewers through company's website, social media

### Conclusion:

- Advertising plays a very important role in marketing of the products. The Ad campaign is essential part of online advertising. PPC help to promote the companies product from manufacturer to the customer. This Ad campaign helps the companies available to the customers and provides more details about them. So it is very important to take the suggestions from the digital marketers as they are in direct contact with the customers and they know the pulse of the market.
- Online industry is a relatively new industry. It is not given importance during the 1990's. The first official move for organized PPC was taken during USA regime when the first Ad campaign promoting and offers. Google Ad words in India have a great future to for improving economic position of Indian online marketing.

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