THE SEM MANAGER'S GUIDE TO **PPC GROWTH**

By: The Search Monitor

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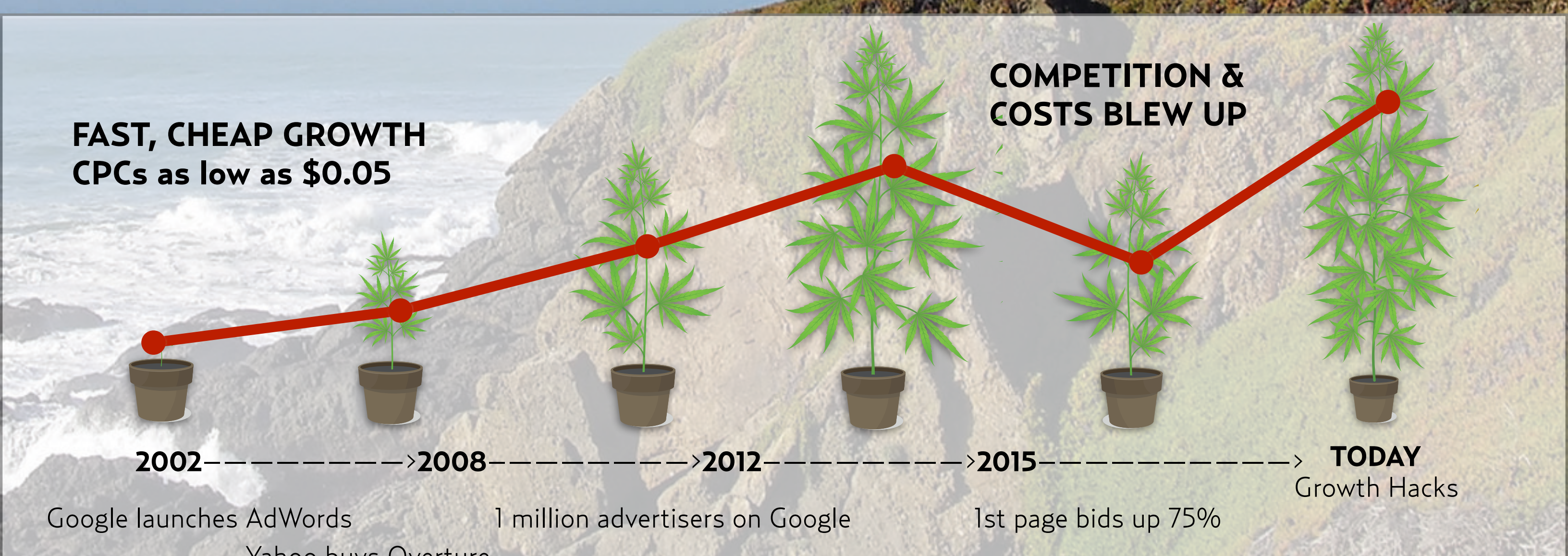

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The Seed Is Planted: Where It All Began

"Brand Bidding is your secret revenue weapon! We monitor data for millions of branded searches. Competition for these terms is on the rise and an effective, revenue-focused brand bidding strategy is the answer." Lori Weiman, CEO, The Search Monitor

The burning question facing all search marketers has always been, "How can I see meaningful PPC growth in a crowded and competitive PPC market?" Unless you are completely new to PPC, it is tough to get the big gains that we once saw. As a marketing tactic, PPC has been mature for years, and few "easy wins" still remain.

So how did we get here?

The history of PPC is a short but intense journey. It started about 20 years ago, in 1998, when GoTo.com introduced the pay-per-click concept at a TED conference. The company later turned into Overture and then was bought by Yahoo in 2003. Google, meanwhile, jumped into search in 1999 with 350 initial advertisers. A year later, it launched AdWords, then introduced a PPC version of AdWords in 2002.

The search engine landscape at that time was filled with lots of engines with even funnier names than Google. Remember FindWhat, Kanoodle, and LookSmart? Further, the notion of a black box of advertiser data hadn't taken hold yet. Advertisers could see everyone's bids, which the search engines hoped would drive up bidding. And it worked!

As competition increased, search marketers looked for ways to optimize their campaigns. In fact, "optimization" became a giant buzzword in PPC.

Now many categories are dominated by large players (e.g., Amazon), long-tail keywords have become expensive, and the most advanced marketers have complex technology and expensive agencies on their side.

Looking back, we have noticed five distinct cycles in PPC optimization, each with an increasing degree of difficulty. As you read through these five below, ask yourself where you think you currently are — and where you'd like to be.

Cycle 1: Keyword Lists

This initial optimization tactic was focused on the breadth of your keyword list. It was relatively easy because everything was new. Keywords were cheap! When pay-per-click was introduced, quality, decent-volume keywords could be purchased for five cents or less. Even five years later, a search marketer who bid more than a few dollars on a click would be laughed at.

With bid prices so low, search marketers were happy to experiment with the new channel. It was a learning environment, and competition remained low for years. Gains in revenue were tremendous as a result.

In 2011, Google reached approximately one million businesses advertising on its site. Bid prices followed the rise in competition, especially for the deep-pocket spenders. In 2011, the most expensive CPCs were paid by insurance companies. In 2015, law firms took the title, as certain clicks related to the health condition mesothelioma were priced at more than $1,000.

Cycle 2: Analytics

After building an exhaustive keyword list, marketers focused on their performance analytics for PPC optimization. They studied CTRs, conversion rates, CPCs and anything else they could monitor, then tweaked their strategies ever so subtly.

Google acquired Urchin Software Corp. in 2005 in response to advertisers' increasing need for detailed performance data. Entire analytics departments were founded to process the huge volumes of click and spend data and find the next opportunity for optimization. As budgets increased, marketing executives started demanding more ROI and ROAS focus and wanted to see better attribution between click and sale.

The addition of advanced analytics enabled PPC gains to remain considerable.

Cycle 3: Bid Automation

After analytics, advances in technology made it easier to automate many of the huge data chores associated with optimization. In particular, the automation of bids let advertisers change their costs in real time to reflect changes in product costs or consumer demand.

Millions of PPC bids could be controlled by bid automation systems, and the quality of the data inputs (the analytics) became even more vital to PPC optimization. This new technology helped usher in the next cycle in PPC optimization.

Cycle 4: Pruning

After gains from analytics and automation were exhausted, the seasoned marketer took an even closer look at their campaigns for available refinements in performance.

Engines were constantly rolling out new optimization features for advertisers, and the popular ones were negative match, search queries and other cost analysis tools. They used these to prune out the big cost drivers that didn't deliver the performance. Another huge leap of gains happened in cost optimization.

Cycle 5: Relevancy

The most recent cycle in PPC optimization occurred when marketers optimized their campaigns against the new arena of Quality Scores and search engine mandates for relevance.

The engines value greater relevancy at all costs and have rewarded those marketers that complied with cheaper CPCs.

The Next Cycle—Brand Bidding

Fast forward to the present day, and marketers are looking for the next tool or technique to generate large gains from PPC performance.

This guide will introduce the notion that brand bidding is the next cycle in PPC optimization.

The brand bidding genie is out of the bottle, and you now know the secret to driving meaningful PPC growth. I hope you'll stay along for the ride as we dive deeper into the huge revenue potential offered by a successful brand bidding strategy.

Growth Begins: The Power of Branded Keywords

Today, competition for clicks makes it challenging to derive meaningful growth from paid search advertising. Merkle RKG reports that first-page bid costs increased more than 75 percent from mid-2014 to mid-2015.

As an illustration of how tough competition is getting, I pulled The Search Monitor's keyword data for the footwear category and saw more than 3,700 different PPC advertisers on Google in the US during December.

From my experience, our customers have cracked this code by deploying brand bidding strategies. These strategies, discussed in the subsequent sections in this guide, include ad monitoring, carefully crafted partnership agreements, addressing your competition head-on, making search engine complaints coupled with other available legal responses and effectively employing brand bidding techniques.

These strategies have allowed our customers to control CPCs on their branded terms and drive clicks that otherwise would go to competitors. The result has been strong growth in ROAS.

What Are Brand & Brand-Plus Keywords?

Let's start with some definitions. A brand keyword (aka branded keyword or brand term) is the keyword used to search for a company name. A recognizable example is "Macy's."

Note that brand keywords can include obvious typos, such as "Macys."

A brand-plus keyword, meanwhile, refers to a keyword phrase that includes the brand term plus a qualifying phrase. An example would be "Adidas running shoe." There are many variations, such as:

- Brand + product name ("Adidas Flux")
- Brand + review ("Adidas Ultra Boost review")
- Brand + coupon ("Adidas coupon")
- Brand + sale ("Adidas sale" or "Adidas discount")
- Brand long tail ("Adidas men's Springblade running shoe size 13")
- Brand + website ("www Adidas" or "Adidas website")

To quantify the competition on brand and brand-plus keywords, consider this: We observe that bigger brand names often enjoy autonomy, with limited competition on their actual correctly spelled trademarked name.

As soon as we iterate the brand name with typos, dot-com extensions or brand-plus variations, the entire first page of paid results is filled with competitors, affiliates, partners and URL Hijackers.

The Value Of Brand And Brand-Plus Keywords

Instinctively, you just know that these searches provide incredible value to a brand. Search marketing blogs are overflowing with anecdotes and recommendations that discuss the need to focus on these keywords for PPC success.

To back up our instincts, check out these real values with juicy stats to back them up:

More Clicks On Paid Ads

Brand terms generate lots of clicks. A study conducted by Bing revealed that running ads on branded terms results in 31 percent more clicks for retail advertisers and 27 percent more more clicks for travel advertisers.

Also, don't forget, that some (okay, lots) of consumers use search engines as a replacement for the browser address bar. A common behavior is to type the website address into the Google search box. Brand bidding allows you to capture these clicks and their high click-through rates.

More Clicks Overall – SEM + SEO

Then there is the concept of amplification, which, according to this Search Engine Land article, occurs when "[t]he traffic through the sponsored link is 100% incremental AND the ad is responsible for increasing the traffic on the organic link as well."

A study by 3Q Digital quantified this amplitudinal (new word!) gain when it showed there was a significant difference between whether you receive 56 percent of all clicks (with no brand ad appearing) or 88 percent of all clicks (with a brand ad at top) from a search on your brand. That's a gain of 157 percent more clicks.

Improved Conversion Rates

What good are more clicks if they don't convert and drive a healthy ROAS? The conversion benefits of brand bidding are vast. Let's tackle them with a nice bulleted list (I feel like I am selling a miracle wrinkle cream that actually works):

- Searchers who use brand keywords are more likely to be familiar with the brand and have an existing level of trust with your company.
- Running an ad on your branded keywords lets you control the landing page experience much more easily than you can with your organic listing. We all know how optimized landing pages, especially with continuous A/B testing, should convert at higher rates than non-relevant landing pages.
- Studies have shown that branded keyword phrases are 5X more likely to convert visitors into leads, and paid conversion

rates can be upwards of 4X higher than organic conversion rates. Simply put, it's better for conversions to have a paid ad representing you than relying on your organic listing.

- What does Google have to say on this? They reported that paid clicks from branded searches had double the conversion rate of paid clicks from non-branded searches.
- This search marketer was able to increase his ROAS by 159 percent by realizing that it was more profitable to lower the max CPC bid for his branded keywords. In this example, the simple act of paying greater attention to branded campaigns led to huge revenue gains.

Better Quality Scores

Brand searches are more relevant and can have low bounce rates. According to Larry Kim, writing in Search Engine Land, "[o]ne way to raise your overall account CTR is by bidding on branded keywords." Better Quality Scores lead to lower CPCs, which can possibly offset some of your lower-scored terms.

Real Estate Building

By bidding on brand keywords, you can own more of page one and control your message better than with SEO alone. Picking on automotive for a second:

- Fiat was able to grow brand awareness by advertising on paid search. They leveraged search as key part of their US re-entry strategy. In a case study, Google concluded that "[t]otal unaided brand awareness increased 11.5 percentage points when a [branded] Fiat Search ad was present."
- On the flip side, your competitors can brand bid on you. Here is what we saw happening to Ford. The Search Monitor noticed that Honda and Chevy were paying for high-ranking ads appearing on a Ford trademark, the Ford Focus. They were getting away with it by using the Ford brand in their display URL and not their ad copy. More on that later.

The UFC Of SEM

Brand terms are the Ultimate Fighting Champions of SEM. Competitors are trying to give you a beatdown by stealing your clicks, but don't let them.

In the introduction, I told you about one of our clients who gets 66 percent of the clicks on their brand terms when they advertise. Our client is the UFC of their brand, with their sad competitors only taking home 33 percent of the clicks as a group.

If our client didn't spend the dime, then their competitors would get 100 percent of the take-home purse on their brands all of the time.

Another one of our UFC super-fighter clients recently increased clicks on their branded keywords by 34 percent (and cut costs by 51 percent). How? They removed unapproved advertisers using an automated search engine complaint submission process.

Brand Bidding Grows Revenue… Convinced?

One of our big travel clients boasted recently that by protecting its brand keywords by advertising on them and blocking the competition, they saved (i.e., earned) hundreds of millions of dollars worldwide in revenue that otherwise would have walked out the door into the hands of rival brands. We got excited when we heard this. You should, too.

We've concluded from the great results we have seen that brand bidding is your secret growth weapon. If you don't know how to do it, don't worry, we have you covered.

Reducing Your Competition

Good news—you have a brand worth protecting. Bad news—if you have a brand worth protecting, competitors are ***already*** bidding on your brand. Some bid directly on your name, while others will bid on obvious derivatives, such as when Marketo bids on phrases like "Pardot drip marketing" (and vice versa). Many large brands have competitors bidding to every available ad position for every imaginable brand and brand-plus keyword. See the Chacka Marketing case study at the end of this guide for an illustration of the benefits of reducing competition in brand bidding.

So, what can you do to deal with competitors brazenly showing up on your hard-earned name? Your best options include:

1. **Be better than them.** Being better means that you earn a top Quality Score, and the competitor does not. It means that you pay a reasonable CPC, while the competitors pay a lot! If the ROAS (return on ad spend) isn't there, the competitor(s) will stop brand bidding because it isn't worth it. Be the best "you" possible by using techniques such as remarketing, ad copy development, offer development and landing page development.
2. **Complain.** If a competitor is using your name in their ad copy, file a complaint with the search engines.
3. **Own more real estate.** You can take over more of the page real estate by working with partners. We'll address this in a bit.

Be Better Than Them

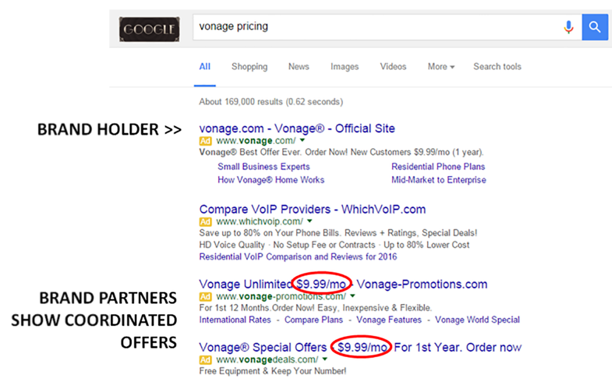
Your goal is to reduce competition. Here are a few dos and don'ts to help you become your best self, which in turn will reduce the impact from competition:

- **Do outsmart the minimum bid.** Presuming you have optimized your ad copy and landing page — making you the most relevant brand bidder on your own brand — then ask yourself, does the minimum bid apply to you? It might not. Try ignoring the first-page minimum bid and instead bid a bit lower to learn where you rank. If you have success, your partners should follow suit.
- **Don't just display a generic ad.** If the consumer found you through a brand-plus keyword, it's likely that they want to buy something. I know it sounds obvious, but make sure to promote that "something" in your ad copy.
- **Don't ignore competitors.** Some savvy competitors might be attacking you in their ad copy, focusing on your product quality or pricing (e.g., "They rip you off, and we won't!"). Study your competitors' talking points closely, and use your own ad copy to

address their attacks head-on. If they mention their lower prices, for example, be ready to emphasize your products' other virtues.

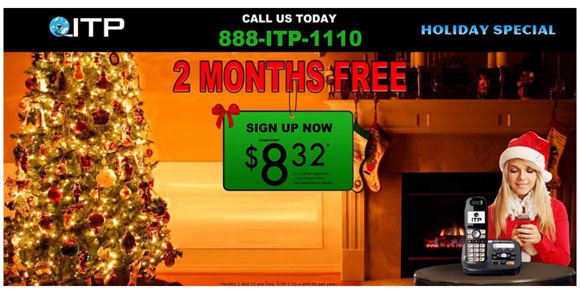
If you are a manufacturer, make sure that only authorized resellers are brand bidding (if they are allowed). If you find an unauthorized reseller, take the necessary steps to stop their brand bidding, either through complaints to the search engine or by directly asking the reseller to stop.

- **Do use ad extensions.** As discussed earlier in this guide, ad extensions make your ad copy stand out. If you use site extensions, your ad copy will become a giant bear, dominating the top portion of the SERP. Do this! Look big!
- **Do use offers.** A smart offer can make a difference. Smart doesn't mean that you have to give something away for free or for a reduced price. Smart means that you have studied the market landscape, taken a realistic gauge of your brand's strength and determined the offer you need (if any). You should examine the market landscape on a regular basis. If you are in a hot market or a busy time of year, I recommend monitoring your competitors' offers daily, and sometimes intra-day. Make sure to weigh the offers against your strength as a brand — for example, a very generous offer from a trivial competitor can usually be ignored, but an offer from a competitive equal should definitely be addressed.
- **Do control your partners' ad copy.** If you are using a partner strategy, be sure that your partners coordinate their ad copy and offers to avoid "offer confusion." See the example from Vonage below. Everything is done right here: the brand holder, Vonage, is number 1. The resellers are in positions 2 and 3. The offers are in sync and make sense when viewed together.



- **Do pay attention to your landing page.** High-quality, relevant landing pages can differentiate you from competitors and keep costs down. Make sure your landing page highlights the keyword, and if you have an offer in the ad copy, repeat it on the landing page. This is Landing Page 101! Too often, I see inconsistent landing pages. Last week, for example, I searched "Macy's cotton blankets" and saw a Macy's ad in the number 1 position (smart!). When I clicked, however, no cotton blankets appeared on the landing page — just a list of 64 blankets, unsorted and unfiltered (not smart!).

- **Don't let your partners have ugly landing pages.** Your partner strategy will lose its effectiveness if the landing page experience is poor. To drive home this point, here's a landing page I encountered a few days ago. It was promoted by a competitor when I conducted a brand search for "Vonage phone service." The ad promoted a holiday special with a Christmas motif in March! (I am sure Vonage is glad this was not one of theirs.)



Many of these tips become obvious once you get weekly reports, with screenshots, showing how partners and competitors are advertising on your keywords. These reports can give you the ammo you need to quickly implement changes to copy, offers and landing pages. Knowledge is power in the world of brand bidding.

Enforcement Options

Once you detect unwelcome competition, what can you do about it from a legal standpoint?

To enforce compliance against competitors and affiliates, you have three options: 1) Search engine complaints; 2) pacts or agreements; and 3) lawsuits, explained below.

Search engine complaints

Filing a complaint with Google, Yahoo or Bing is the recommended option because it's cheap (free to file) and easy, especially if you use an ad monitoring platform to automatically detect and file the complaints on your behalf. Before you get super-excited, however, there are some limitations:

Protected items: Only registered trademarks are protected.

Allowed items: Generally, each engine deals with trademark infringement as follows:

- **Brand bidding: Allowed.** Anyone can bid on your name, as shown earlier in this guide when I discussed best practices, managing partners and reducing competition.
- **Ad copy use: Not allowed** (with a few exceptions). Fair use rules (see above) allow resellers, affiliates, reviewers and news outlets to use your name in ad copy.
- **Destination URL use: Allowed.** Competitors can use your name as a sub-domain or sub-page. In the best practices section, we even suggested that you do this to your competitors.

Note that while the engines allow this, it does not mean that the law allows it. The more confusingly similar a URL is to the brand holder's, the stronger the brand holder's case becomes from a legal standpoint.

Pacts and agreements

Another method to enforce protection is with agreements. Agreements give you stronger and more reliable legal recourse than just complaining to the engines alone.

- **Competitive pacts:** Some industries have gotten together, and competitors have formed written pacts where they have specifically agreed not to brand bid. These written agreements list in detail the allowed and prohibited activity, as well as enforcement proceedings should they be violated, which typically come with a financial price tag.
- **Affiliate agreements:** If you have affiliates or partners, your affiliate agreement should detail the allowed and disallowed brand bidding activity, along with notice rules and financial ramifications for any violations. The swiftness and harshness of your action should match the conduct, which includes:
    - **Direct linkers.** This harmful advertising practice should be dealt with swiftly, since someone is hijacking your brand outright. Actions should include financial withholding and termination of the relationship.
    - **Unauthorized affiliates.** Affiliates who brand bid without authorization are mucking up your strategies. Actions should include notice with cure periods, financial ramifications and eventual termination if the behavior is repetitive and material.
    - **Authorized affiliates.** Super-affiliates (as discussed in the reducing brand bidding competition topic) should be handled more gently, with kinder notices that build upon themselves and provide cure periods. Financial repercussions and termination should only be used as last resorts.
- **Reseller agreements:** If you are a manufacturer, you likely have strict rules regarding sensationalized copy, minimum advertised price (MAP) compliance and brand bidding. Your agreements should detail these rules and the ramifications for not following them.

Lawsuits

A lawsuit based on trademark infringement should be your last resort. Trademark lawsuits are expensive and challenging to win (as noted earlier). The caveat is if you have a pact or agreement that prohibits brand bidding, and you have proof of the advertising activity through date/time stamped screen shots, then you have a stronger chance for victory.

The enforcement component to a successful brand bidding strategy is well within the reach of any marketer or agency. Enforcement is attainable with a foundation of always-on ad monitoring, coupled with complaints to the search engines (who do listen!), strong agreements to clarify what's permissible within your industry and with partners and (as a last resort) lawsuits.

Each data point we see from our clients continues to support that brand bidding is the most effective tactic for achieving meaningful PPC growth. By following the practices discussed throughout this guide, you can achieve results that will impress any manager or client.

Blossoming Partner Relationships

In addition to outperforming competitors and enforcement options, a third way to reduce competition is to take advantage of partner relationships. This tactic will help you better control the search engine results and your CPC prices by coordinating your brand bidding with partners and affiliates.

The benefits of brand bidding with partners

Whatever industry you advertise in, the coordination of brand bidding with the partners described above has tangible and measurable benefits, including:

- Controlling page 1.
- Pushing out competitors.
- Lowering CPC costs.
- Driving more visits.
- Improving return-on-ad-spend (ROAS).
- Growing revenue.

Who are your partners?

Affiliates. Affiliates are partners who send visitors to the brand holder's website through a referral link. Online retailers commonly work with partners in this way through affiliate networks such as Linkshare Rakuten or Commission Junction. Examples include coupon code websites, bloggers or review sites.

Resellers. Resellers is just a fancy name for affiliates who refer leads instead of direct purchases. The leads captured by the reseller are sent to the brand holder for conversion. We often see resellers operating in finance, insurance and telecom. An interesting nuance to this type of relationship is that the reseller will usually have authorization to use the brand in its URL, for example: "www.verizonfiosbundles.com" or "www.buyverizon.com."

Partners. Travel services (such as hotels) work through online travel agencies like Priceline or Expedia.

Franchisees or Dealers. A franchisee (or dealer) relationship is a brick-and-mortar concept commonly found in automotive or education, where there is a physical, in-market store. In these arrangements, the dealer has certain marketing rights restricted to a geographic boundary.

Online Retailers. We don't usually think of retailers as "partners" or "affiliates," but in fact they are if the brand holder is a manufacturer. Manufacturers sell through retailers and can benefit from the page ownership strategies discussed here.

Partner brand bidding tactics

Let's start with an important definition. Partner brand bidding means that you allow some of your partners to bid on your brand name or brand-plus phrases in order to control the page real estate.

For partner bidding to work, you need to run a tight ship. Your tactics must include four key elements: Media strategy, legal agreement, ad monitoring and compliance enforcement.

Let's dive into each one.

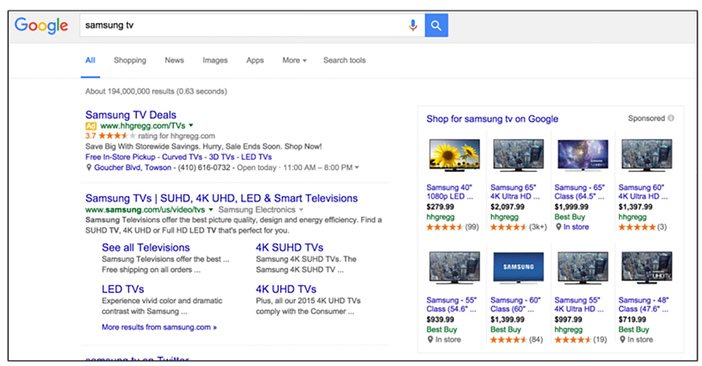
Tactic #1: Media strategy

Before you can implement a partner strategy, you need to define your media strategy. This, in turn, will help you formulate your program rules. Questions to address include:

Do you want to brand bid alongside partners? If you have an active and aggressive SEM strategy, you will be bidding heavily on all brand variations. You will want your partners at your side, with you in first position and your partners blocking the ranks directly below you from competitors. Some companies have hundreds of affiliates but may only allow PPC brand bidding for their best three or four partners (super-affiliates).

Do you want to use partners to offset PPC ad spend? If you are looking to scale back your ad spend on PPC (maybe you had a budget cut), you can use your partners to fill in the gaps. In this case, you might want to anoint a few special super-affiliates and encourage them through incentives to maintain the top ranks. Or you may want to adopt a very loose brand-plus bidding policy and allow all of your affiliates to have access. If you find yourself in this boat, remember, you still need to bid on your own name. Do not give that up!

What about offering incentives like co-op ad money? What if you could control the search results pages better as a manufacturer by offering co-op ad dollars? Check out this screenshot of a search on the keyword "Samsung TV." Yes, it looks like a free-for-all. HHGregg is running a very vague PPC ad with no tangible offer, and then is running ads in the right-rail PLA ad unit with a dizzying array of TV products ranging from $279 to a few thousand bucks.



Here, Samsung could control these ad units and the entire consumer experience with a little co-op ad spend to better control and coordinate what HHGregg and BestBuy promote on this keyword.

Tactic #2: Legal agreement

Once you have defined your media strategy, it's time to meet with your legal team and put the plan into writing. You will need a well-defined legal agreement that specifically explains the rules of the engagement, notice procedures and enforcement (i.e., you lose your payout, or hasta la vista, baby, you're kicked out of the program!).

The areas where restrictions can apply include:

- **Allowed and prohibited keywords.** Be specific and/or define classes of keywords.
- **Allowed and prohibited ad copy.** You can refer to an external policy document that changes from time to time in order to give yourself flexibility with wording and offers.
- **Page rank.** If you are bidding alongside partners, you will need to define page rank rules. Examples include: never above you, or your brand is always first on keywords x, y and z.

Tactic #3: Ad monitoring

With the strategy and legal out of the way, it's important to remember that your plan to corner the market is only as good as your enforcement. Best practices here include:

Use ad monitoring software. Search ads on each page refresh and vary based on the location of the searcher. It is nearly impossible (and boring) to monitor them manually. Make sure you find a vendor who can check ads several times a day and across multiple locations. If you are hyper geo-sensitive, as you should be in industries such as telecom or automotive, your vendor will need to provide city and maybe even ZIP-code-level monitoring.

Review summaries, not the details. The Search Monitor often gets asked by clients for alerts to be sent each time a violation is found. Before you request something similar, consider this: If our company were to monitor 30 brand-plus terms across 100 geographies, that would equate to 3,000 checks at a time. Do you want 30, 300 or 3,000 alerts to review? Instead, I recommend looking at the summaries. If the percent of violations becomes considerable, then it's time to take action. One caveat for you: If you are in a regulated industry with ad copy sensitivity, then every violation counts and needs to be considered.

Tactic #4: Compliance enforcement

The manner in which you will enforce your policies should be neatly detailed in your legal agreement. Remember to be kind to your super-affiliates with fair notices and consequences, and act swiftly against those that are not your super-affiliates (because they are just mucking up your plan).

Tricky scenario: managing local resellers

Let's wrap this up with a case study on a tricky scenario: coordinated brand bidding with local resellers. This scenario is often found with auto dealers or businesses such as the Sylvan

Learning Centers (a tutoring franchise with local branches).

Since these resellers are local, there are very clear and important geographic considerations. Earlier in this guide, I cited a case where Chevy was bidding on terms for the Ford Fusion. While Ford can't prevent its competitors from doing this, they could have protected themselves better by partnering with local or regional dealerships to advertise and help push the competitive Chevy ads off of page one.

Can you make partner brand bidding work?

The tips above require time and effort to enact, plus some common sense when it comes to enforcement. It's important to remember that partners are taking on the cost and risk of promoting your product and in most cases, will appreciate receiving clearly defined brand PPC bidding rules.

Since the search engine algorithms are (and will remain) black boxes whose costs are based on vague concepts such as relevancy and quality scores, it's important to control whatever you can.

Reaping The Benefits: The Future of Brand Bidding

Your key to ultimate growth is running an effective brand-bidding strategy focused on revenue growth and protection.

This solution didn't appear overnight. Our company reviews ad monitoring data for thousands of branded searches. We've verified that competition for branded keywords is on the rise. If our clients simply do nothing, the result has been higher CPCs, lower average rankings, and even instances of advertisers and partners unknowingly working against each other.

Our data has revealed that executing a proper brand bidding strategy provides incredible value to an advertiser. We see that:

- **Consumers love branded searches.** The volume of branded searches is quite impressive. Using the AdWords Keyword Planner, for example, we see that in December alone, there were 24 million US searches for "macys" and 850K US searches for "Macys jackets."
- **Branded searches convert well for brands.** Advertisers receive a large portion of their traffic from branded searches. One of The Search Monitor's clients, a well-known travel brand, shared that by sponsoring their brand terms they were able to capture two-thirds of the paid search clicks generated by those branded keywords. In other words, if this client were not to sponsor its brand, then it would be giving up 66% of the clicks on its brand terms to competitors.
- **Clicks decrease rapidly with more competition.** Our data show that brand owners can lose 50 percent of their click potential as competitors increase.
- **CPCs increase significantly with more competition.** We also see that CPCs can jump more than 60 percent when competitors vie for the top three spots.
- **Affiliate competitors distort metrics.** Affiliates can throw off bid automation and conversion metrics by 20 percent or more.

Brand bidding as a tool for PPC growth became more evident during a panel I sat on at the Search Insider Summit. The panel focused on the monetary gains from both brand advertising and protection. It also featured representatives from Marriott Hotels and their search agency.

As we each shared our experience with brand bidding, it became quite clear that we all shared the same perspective: **the volume of brand bidding is on the rise, it requires considerable effort and focus to combat it, and brand**

protection in PPC can produce giant revenue results.

When I say "giant" results, I mean exactly that. Some of our bigger brand clients have told us that their strategy of protecting branded searches has earned them (or saved from loss) hundreds of millions of dollars annually worldwide.

As I share this message — and especially the revenue figures — with advertisers, the response has typically been: "We're seeing the same thing, but we don't know what to do."

The Future—Trends To Watch

Below are five important trends in brand bidding, each accompanied by a tip for taking advantage of the trend. So, let's go!

Trend #1: Agencies will incorporate brand bidding into best practices

I predict that brand bidding as an optimization tool will grow into an agency best practice. Agencies have a huge opportunity to use brand bidding to improve client campaign performance, increase retention and boost their business development efforts.

For campaign performance, just look at the results produced for Avery in this brand optimization case study. You'll see how an agency used brand bidding and optimization to boost Avery's clicks and bring CPC (cost per click) down.

Many of our agency clients have told us how they routinely highlight their brand protection services (and actual results) when approaching a new client and actually challenge the new client to find similar results with other agencies.

I expect demand for brand optimization skills to continue to grow, especially when you pitch stronger brands. So, start working on those results slides now!

Trend #2: Regulated industries monitor beyond the SERP

The Search Monitor has seen an uptick in demand for Content Monitoring. Content monitoring entails vast monitoring of landing pages, websites, blogs and email based on rules created by the brand owner.

Highly regulated industries like finance and pharmaceutical have to abide by strict marketing rules from government agencies such as the Financial Industry Regulatory Agency (FINRA), the Consumer Financial Protection Bureau (CPFB) and the Food & Drug Administration (FDA).

Even retail, to some extent, has to be careful, because the Federal Trade Commission (FTC) now requires disclaimers on review and blog sites that promote retail products.

The volume of content on the internet can quickly put a regulated brand out of compliance. Even if the violations are accidental and performed by an affiliate, the result can be punishments for the advertiser, including heavy fines.

It will be common practice in the future for agencies and marketing departments working with finance, educational, pharma and retail advertisers to monitor beyond the search results. They will need to expand coverage to web pages, blogs and email in order to fully protect themselves against any potential government fines.

Trend #3: Manufacturers will adopt MAP compliance

The Search Monitor has also seen a rise in inquiries from manufacturers who need help monitoring their retailers for minimum advertised price (MAP) violations. Retailers sometimes lower prices below MAP to attract customers and stay competitive. When retailers are in price parity with one another, it causes a ripple effect among other retailers, and very quickly, a premiere brand is selling at prices below MAP.

Each year, we see more vendors providing MAP compliance service. We even saw a Harvard Business School research paper that tested different approaches to increasing MAP compliance (spoiler alert: enhanced monitoring and more credible punishments were the most effective at curbing violations).

I predict that MAP Compliance will be viewed not only as a brand defense tool, but also as a revenue driver for manufacturers, boosting sales by keeping reseller prices in check and preventing parity.

Trend #4: URL hijacking continues to impact brands

URL hijacking (aka direct linking) is a form of brand bidding where an unauthorized advertiser uses your URL as their display URL.

Who does this? Some (not all) affiliates use this tactic to get easy commissions without having to create a website and brand of their own. Other common offenders are phishing sites who want your traffic and manage to slip by the engine's editorial review.

If URL hijacking is happening to you, your ads get bumped and replaced by the hijacker's ads, which will greatly impact your metrics and optimization efforts.

While the search engines could put a stop to this activity with URL ownership verification, I do not see the engines making an effort toward this any time soon. The best defense, instead, is to monitor, quantify the impact, and then use enforcement techniques discussed in this guide.

Brian Wensel, digital media director at R2C Group, shared how his agency quantifies the impact of URL hijacking for their clients: "R2C Group uses The Search Monitor's Knock-Out statistic to augment our impression share (IS) data from Google. We've learned that Google's IS measurement does not account for hijacker activity, even when we know hijacking is happening. Only the knock-out stat alerts us right away to the possibility of URL hijacking."

Trend #5: Hotel brands will adopt price parity compliance

Another brand protection issue we've seen on the rise is unique to hotel brands. Similar to manufacturers, they need to make sure their resellers, the online travel agencies (OTAs), are in compliance with their listed room rates.

In particular, we're seeing increasing adoption of The Search Monitor's hotel price parity reports. These monitor the hotel listings module on Google, looking for price parity for the same property between resellers such as Expedia, Kayak and Travelocity.

Usually, price parity is an accident or oversight, but because it can cost hotel brands to lose clicks to their OTAs or to lose money on an incorrect room rate, forward-thinking hotel brands will focus on controlling price parity in the future.

Brand Bidding Best Practices

With the "why" now out of the way, it's time to discuss the best practices of "how" to implement brand bidding campaigns.

Keyword Development

As with any PPC campaign, brand bidding begins with effective keyword development. There are plenty of primers on keyword selection and keyword research tools on the web if you need to review the basics. These definitely apply to brand campaigns, too.

To start, find the brand and brand-plus keywords by reviewing your existing campaigns and analytics for generic terms that drive the best traffic. Then, add your brand terms in front of them (e.g., Burton + women's snowboards on sale).

Next, combine your brand name with common search term appendages, such as:

- Brand + product name ("Burton snowboard").
- Brand + review ("Burton Snowboard review").
- Brand + discount ("Burton discount").
- Brand + sale ("Burton sale").
- Brand long tail ("used Burton Process Flying V Snowboard 2016 157W").
- Brand + website ("www.Burton," "Burton.com" or "Burton website").

You can also check Google Autocomplete and related searches (at the bottom of the results page) for common searches on your brand.

Knock Competitors Off Page One

Competitors on your brand terms are there to steal your clicks and piggy-back on your good name. Competitors can cause you to lose clicks (See Part 2 of this guide) and increase CPCs on your brand terms. Or worse, they can overtake you in rank, pushing you down the page.

Your number one goal is to remove as many competitors as you can. The search engines will help you with this exercise. Start by familiarizing yourself with the engines' trademark policies.

Then, be vigilant in monitoring your brand terms. If you find a competitor who is using your name in ad copy text, be relentless in reporting these competitors to the search engines (More on this in Part 6 of this guide). Report any competitive advertiser that uses your brand name in their PPC ad title or copy. (Remember that it's okay if your brand appears in the ad's Display URL, which engines allow.)

The search engines have compliance departments that are set up to review your complaints. If an ad infringes on their policies, the engine will take the ad down immediately. If the ad does not infringe, the search engine will allow the ad to continue to run. If the latter happens, don't take it personally.

And don't worry about getting penalized for this. Search engines expect some level of complaints and are prepared to handle your inquiries. If you can automate the reporting process, you should.

The next best thing to a take-down is to beat your competitors in rank. You never want your competition to bid above you on your own brand terms, so it's important to monitor your brand terms daily and adjust your bids accordingly.

If your take-down attempts end up failing, it is most likely because the competitor is not using your brand name in its ad copy. By not using your name, the competitor's ads are likely not very relevant to the search term, which will cause their quality score to decline and their CPCs to increase. Their costs will balloon as a result, which is what you want, since it allows you to outbid them.

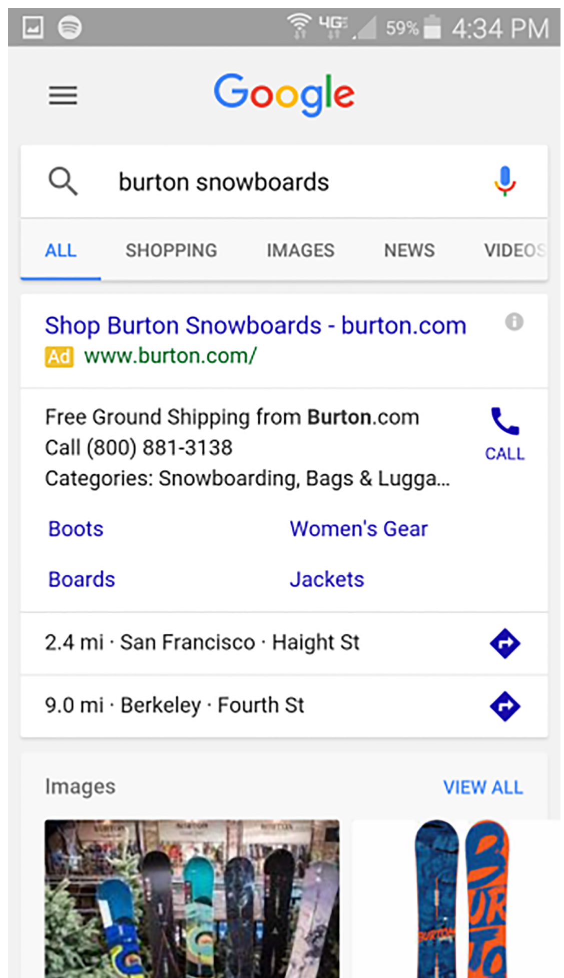
Sure, they could ignore return-on-ad-spend (ROAS) and continue brand bidding just to be jerks, but let them spend the money. You can also cause them additional pain by cranking up the heat with partner arrangements.

Work With Partners & Affiliates

If you sell online, having an affiliate program can help you dominate page one, drive more revenue, manage costs and build your brand. By carefully selecting a group of your best affiliates to work with you, you can use this powerful cost-cutting technique that can also boost clicks and sales.

We will dive deep into partner and legal issues later in this guide, but here are the basics:

1. Identify a group of affiliates that you will allow to brand bid.
2. In your contracts, clearly spell out that no affiliate can rank above you in branded PPC.
3. Ensure affiliates have more relevant ad copy than your competitors by helping them to describe your products and



services in depth in their ads and landing pages.

4. As you mature the program, consider whether you should remove brand-bidding rights from all but your best three affiliates. This helps make sure your CPCs don't get out of control.

Affiliate management and coordination takes constant vigilance. (Sorry, there are no freebies in PPC!) This is accomplished with dedicated personnel and PPC monitoring tools that can automate the detection, reporting and communication with affiliates and the engines.

Ad Copy Tips

In addition to the standard best practices for ad copy and landing pages, like title-matching your keyword, here are other best practices for brand bidding:

- **Official Site.** Consider using "official site" in your ad copy. An ad title like "Burton Official Site" can draw clicks away from wanna-be competitors and significantly increase your CTR.
- **Landing Pages.** Make sure your landing page is paying off what your searchers are being promised. Nobody likes clicking on an ad for blankets and getting a page for shoes — or even worse, seeing the dreaded 404 error page.
- **Ad Extensions.** Be sure to use ad extensions, specifically site links. Site links will make your ad BIGGER! Big ads take up more room, which pushes competitors down on the page. You can also add business phone numbers, third-party reviews (if you sell products) and display a local address if you have retail locations. I also encourage you to use call-out extensions to add offers, brand slogans or "official reseller" status.
- **Offers.** In a recent analysis of offers run in skin care ads over the Q4 holidays, The Search Monitor found that 69 percent of ads mentioned free shipping, 22 percent mentioned a sale and six percent offered a free product. Highlighting offers like these can make your ad more enticing and potentially increase clicks as a result.

Keep in mind that if you have a strong brand, and you can show your value in the ad copy, then you might not need an offer. Before you decide, evaluate the competitive landscape.

Be First In Mobile

Remember what Ricky Bobby said, "If you ain't first, you're last!" This is true with mobile, where only one or two paid ads (and often no organic results) can appear above the fold. You'd better focus on being #1.

For example, here is a search on the Burton brand, and you can see only one listing. Burton makes use of site links, a phone number and an offer. Notice how BIG their ad is!

The pole position is clearly good for traffic and conversions. Google recently announced that more searches take place on mobile devices than on computers. Our client and retail super affiliate, Savings.com, shares that on their mobile website, CTR drops from 30 percent in the first position to 12 percent in second position.

Piggy-backing On Other Brands

Piggy-backing is a technique where you brand bid on a competitor's brand name. I just spent most of this section discussing how to brand bid on yourself. Now, we will discuss brand bidding on your competition.

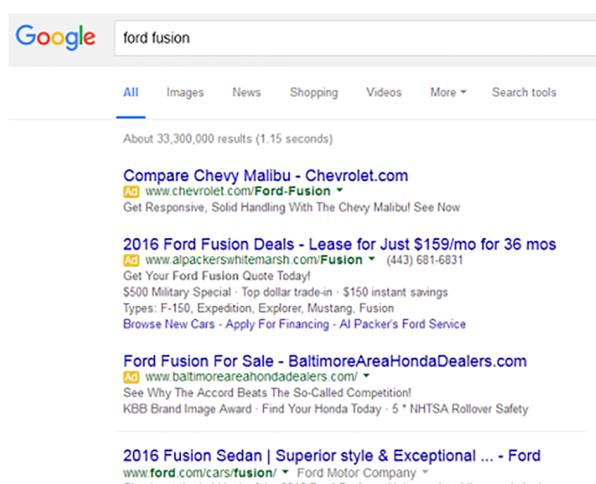
Who can benefit from piggy-backing?

- **Small Brands.** Small, lesser-known brands can use piggy-backing to ride the coattails of a bigger competitor.
- **Big Brands With Competing Products.** If you are a big brand with a better product than your competitor, you can use this tactic to tell the marketplace about your superior products.

In order to piggy-back effectively, you will need to follow these rules:

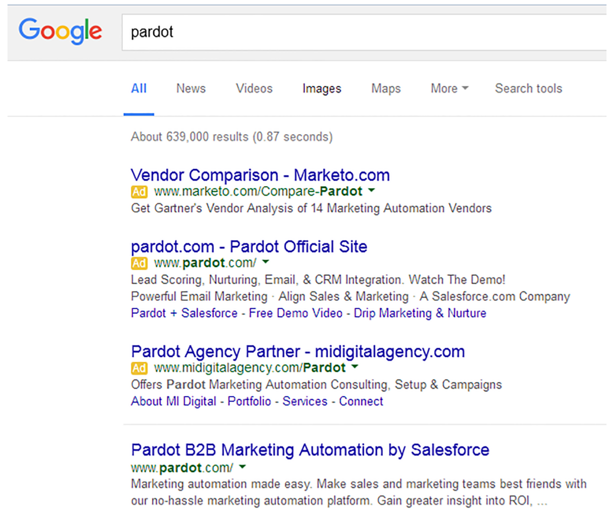
- **Ad Copy.** Do not use the brand in the title or description of your ad (You will get your ad taken down).
- **Comparisons.** Make sure that your ad is focused on comparing yourself to the competitor's product or brand (in a legal, non-derogatory way).
- **Display URL.** Use their brand in your display URL. This will make your ad relevant, protecting your Quality Score (e.g., mydomain.com/yourbrand-vs-theirbrand).
- **Landing Page.** Make sure the landing page is targeted to the comparison that you espouse in your ad. It must thoughtfully and accurately compare your features and benefits. If you can, find a third party who has done the comparison for you.

Here is a great example of this tactic deployed by Chevy against Ford to promote the differences between its Malibu brand and the Ford Fusion. Notice how Chevrolet is ranked first for "ford fusion". The ad copy does not mention Ford. The display URL contains the Ford Fusion brand and takes the user to a comparison page.



Okay, now let's discuss another great example of piggy-backing. In the screenshot below, two giants of marketing automation, Marketo and Pardot, are battling it out in PPC. Marketo is advertising on Pardot's brand name.

Notice again, as in the example above, how Marketo is ranked first and links its ad to a comparison landing page to make its case. If you were a smaller player in marketing automation (e.g., Net-Results.com, which markets on how it can compete with the industry leaders), you could be capitalizing on this same piggy-backing strategy.



See It In Action—Case Studies

Avery Lowers Campaign Costs By 51%

COMPANY BACKGROUND

Avery is an industry leader in labels. Although they sell labels, Avery focuses on providing software solutions through their Design and Print Online tool, as well as a one stop Premium Printing Service, WePrint.

CHALLENGE

Avery's trademark was being used by unauthorized advertisers. The presence of the Avery TM was presumably improving the relevance of competitor ads on "Avery" searches, improving the competitors' quality score and ultimately lowering their cost to advertise. This allowed competitors to be more aggressive, increasing Avery's CPC on brand searches.

SOLUTION

Avery's agency, Chacka Marketing, used The Search Monitor to catch competitors using their trademark in ad copy. Daily reports with the names of the violators, details of their ad copy, time and date of each violation, screenshot, and destination URL were provided by The Search Monitor. Equipped with this information, Chacka filed trademark violation notices with Google, Bing and Yahoo. Once the reported violations were validated, the culpable ads were removed.

Despite these efforts, one particular competitor kept showing up week after week in Chacka's reports. No matter how many times violations were submitted to the engines, said competitor would appear with new ad copy that featured "Avery" prominently in their headlines.

Armed with a litany of reports from The Search Monitor, Avery issued a Cease and Desist Letter to the competitor, with which they immediately complied. Their ads have not been in violation of Avery's trademark since.

RESULTS

Without the boost to their ad relevancy from the word "Avery", competitors could no longer afford to aggressively bid on Avery brand terms. As a result:

Brand CPC decreased 64%
Clicks increased 34%
Cost decreased 51%

Europcar Reduces PPC Costs On Brand Keywords By 48%

COMPANY BACKGROUND

Europcar is a French car rental company operating in 140 countries throughout Europe, North America, Western Asia, and Africa.

CHALLENGE

Europcar competitors and partners were bidding on their trademark and branded keywords. Having campaigns in multiple countries and trying to monitor was an endless task that wasn't producing the results they were looking for.

SOLUTION

At the start of the project, Europcar's agency, Performics, established revenue and CPC benchmarks using a combination of data from Google Adwords and internal analytics to use to compare against actual results.

Performics' biddable team then used The Search Monitor's compliance reports to monitor competitors and partners brand bidding on Europcar's branded keywords in multiple countries and specific geo-targeted locations.

RESULTS

After months of monitoring for violations, Performics worked with Europcar's legal team and Google's compliance team to reduce the number of competitors and partners bidding across europcar's brands.

43% increase in revenue
48% decrease in cpc spend

About The Author

Lori Weiman

Lori Weiman has been creating products for SEM and SEO marketers since 2002. She is a regular speaker at leading search, affiliate, and retail trade shows as well as a regular columnist for Search Engine Land and Search Engine Watch.

Prior to The Search Monitor, Lori co-founded KeywordMax.com (now a division of Digital River, Inc.), a campaign optimization software for SEM marketers & agencies.

Lori started her career at Time Warner Cable as part of the team responsible for inventing on-demand television. She has held executive level positions at several early stage ventures including Click Forensics, Webquarters, and food.com.

About The Search Monitor®

Hundreds of agencies, search marketers, and affiliate managers use The Search Monitor® to drive greater revenue from online advertising campaigns. The Search Monitor platform provides real-time advertising intelligence to monitor brand and trademark use, affiliate compliance, and competitive advertisers on SEM, SEO, local search, display, mobile, PLAs, and shopping engines worldwide.

The platform helps advertisers with compliance issues related to trademarks, affiliate programs, offers, minimum advertised pricing (MAP), content monitoring, and hotel price parity.

The Search Monitor platform also provides competitive insights such as SERP visibility, keyword reach, ad rank, ad copy, popular offers, landing pages, and click and spend data.

The Search Monitor data is the most precise available through high-frequency crawling and advanced geo-targeting from thousands of global IP addresses. All data is available through easy-to-use web-based reports, APIs, and automatic alerts that are customizable for 1,200+ verticals.

Learn more at TheSearchMonitor.com.

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