

Why Your Lead Generation PPC Campaign Isn't Working

The devil is in the details, and your agency is probably overlooking scores of them.

EXECUTIVE SUMMARY

Because PPC (pay-per-click) advertising is so easy to get into and yet so hard to succeed with, we created this PPC White Paper to help company and marketing leadership understand the crucial campaign tracking details that make or break lead generation PPC campaigns. Applying the techniques described in this White Paper will turn stagnant or failing PPC campaigns into productive, continuously improving ones.

PPC campaigns stagnate or fail when testing is based on faulty data. While ongoing campaign optimization is vital, unless the proper inputs drive testing, obtaining improvements in click-through rates and conversions are virtually impossible.

To make campaign optimization efforts purposeful, plentiful and productive, campaigns must first execute two jobs to perfection:

1. Tracking conversions completely and granularly
2. Separating legitimate sales leads from other conversions

While these two tasks sound simple enough, the execution is complex and full of traps, any one of which can skew campaign results, leading companies to overspend on unproductive campaigns or discontinue campaigns with undiscovered potential to generate substantial ROI.

Read this White Paper to learn how to spend wisely on PPC, properly calculate your ROI — and most of all, increase your ROI.



STRAIGHTNORTH

Make every click count.®

PART 1: PPC CONVERSION TRACKING

PPC campaigns generate two types of conversions: phone calls and form submissions. Unless all conversions are captured, knowing which campaign sources (e.g., Google, Bing) are generating conversions is impossible.

Furthermore, unless conversions are tracked *granularly*, a company cannot determine which other campaign elements produced them. Knowing which search engine generated a conversion is not enough; the ad group, keyword, match type and other variables applicable to each conversion must also be known.

Without this data, the PPC agency cannot even begin to determine which campaign elements (search engines, ad groups, keywords, match type, etc.) to emphasize and de-emphasize.

Phone Tracking

Phone tracking cannot be handled effectively through Google AdWords or Bing Ads if a supplementary system is not set up. Google AdWords provides Google forwarding numbers, which track every time a number is called and count this as a conversion in AdWords. However, this simply tracks every time a number is called with no way to determine the quality of the call. This is a major problem because phone leads are often the best leads, since callers tend to have more immediate, urgent, and/or complex needs.

Not all phone-tracking systems are equal. Some vendors have limited call-tracking technologies; some agencies try to save money by limiting the time the visitor's cookie is tied to a unique tracking number (for example, some providers tie a number to a visitor for only 1 hour, while others have a 12-hour cookie).

For rock-solid phone tracking, cover the following bases:

- The phone-tracking provider must have the ability to **record phone calls**. This is critically important, as we will show in Part 2, Lead Validation. In addition, call recording provides the bonus benefit of enabling a company to audit its sales team's over-the-phone lead-handling effectiveness.
- Phone numbers used in the PPC campaign must be **dedicated to the company**, not shared with other clients of the agency.
- The phone-tracking system must properly **separate PPC from SEO sources**. If a company is running both types of campaigns, the PPC campaign must be tagged to prevent PPC-generated conversions from being bucketed as SEO. This issue often arises when an SEO campaign is being managed by an agency, but the PPC campaign is managed either in-house or by another agency.



STRAIGHTNORTH

Make every click count.®

- Google and Bing permit call extensions to display in PPC ads. **By purchasing one-to-one phone numbers** and allocating them granularly to call ad extensions (at the campaign or ad group level), a company can receive calls when a user simply views its ad. This call is free on desktops and tablets, and turns into a click-to-call button on mobile devices. A click on this button costs the same as a normal PPC ad click.
- Using dedicated microsites or landing pages tied to a hard-coded, one-to-one phone number enables a company to **capture conversions** even when visitors have ad-tracking blockers, disabled JavaScript and other issues that prevent standard call-tracking systems from working, or when the call-tracking systems themselves have script or server issues.
- Offering **PDF downloads** as secondary conversions, tied to a one-to-one phone number hard-coded into the PDF, increases the number of conversions and enables the company to track them back to the proper source even when they occur days, weeks or months later.

Capturing phone conversions ultimately prevents PPC results from being underestimated, and equally important, allows campaigns to be continuously improved. Again, the data captured using the above techniques is a start to the continuous improvement process. Until lead validation is applied, this data should not be used to alter the campaign. The same principle applies to form tracking, which we will now discuss.

FORM TRACKING

A. Basic Tracking

Form tracking for PPC campaigns must always incorporate these three basic elements:

1. Google Analytics goal tracking on the form confirmation page
2. Google AdWords conversion tracking on the form confirmation page
3. Bing Analytics code on all pages with a goal on the form confirmation page

A company should also make sure every destination URL in the PPC campaign includes variables to track — campaign, ad group, keyword, and match type along with Google Analytics UTM source tracking. (UTM codes are parameters added to the URL that provide additional details about the source of conversions.)

Basic form tracking captures the number of form submissions tied back to the campaigns, ad groups and keywords. It will not enable a company to see the text from form submissions; once again, *lead validation* is needed to reveal qualitative insight — e.g., distinguishing a million dollar lead from a spam form submission.



STRAIGHTNORTH

Make every click count.®

CHICAGO | CHARLOTTE | BALTIMORE | WASHINGTON D.C.

(866) 353-3953
www.straightnorth.com

Even basic tracking has nuances that must be addressed to prevent tracking data from being fatally flawed. Three of the most important issues:

1. Bing campaigns must be properly tagged to prevent Google Analytics from bucketing Bing PPC traffic with organic traffic.
2. For longer selling cycles, confusion between AdWords “any touch click attribution” and Google Analytics “last touch click attribution” creates data discrepancies easily misinterpreted when not fully understood.
3. Google Analytics goals, the method by which forms are tracked, provide no qualitative data, nor do they account for unsuccessful form submissions.

In many ways, inaccurate and incomplete campaign data has a worse impact on ROI than no data at all. Consider the last point about unsuccessful form submissions. If, unbeknownst to the company, its campaign is producing a very high percentage of unsuccessful form submissions, the PPC agency may spend all of its resources tweaking bid strategy when the real problem is a flaw in the submission form!

B. Marketing Automation Tools and Custom Technology

Marketing automation tools such as HubSpot and Marketo are software platforms that, among other things, enable a company to tie form submissions back to the PPC campaigns, ad groups and keywords that drove them. This functionality supports lead validation — i.e., it enables the company to distinguish sales leads from non-lead conversions.

The drawback of marketing automation tools is they require a company to replace its proprietary website forms with the platform's, which is not always ideal in terms of branding, usability and function. If a company wants to use its own forms, the platform can accommodate that need with an API that allows the form's data to be sent to the platform. However, the loss of form and data control can raise significant issues for midsize and large organizations, and even small companies that have complex product/service offerings, sophisticated customers, and/or high-value offerings.

An alternative to marketing automation platforms is to write custom code to track form submissions. To do this, a company needs an expert back-end Web developer to write JavaScript code that cookies every visitor to any page of the company website. When the visitor submits a form, the form data and the referral URL, entry URL, date/time and other variables are stored in a database. By exporting the database into a CSV file and opening it in Excel, leads can then be sorted by the referral URL to show the search engine and by the entry URL to show the campaign, ad group and keyword.



STRAIGHTNORTH

Make every click count.®

Be aware of two difficulties with custom technology:

1. Lead source attribution, mentioned earlier, must be considered carefully, especially for multi-channel marketers, so that conversions are consistently associated with the appropriate campaign.
2. HTTPS versus HTTP: an HTTPS site will not pass a referral URL to an HTTP site



Agency Evaluation Tip: Don't become spellbound by agencies touting brilliant reporting and campaign optimization abilities. Ask potential PPC agency partners to provide documentation on their phone- and form-tracking campaign setup procedures. Their emphasis should be on complete, accurate and granular tracking.

PART 2: LEAD VALIDATION

Capturing quantitative data — i.e., the raw number of phone and form conversions — without capturing qualitative data cannot lead to PPC campaign improvements, and quite often leads to changes that hurt the campaign. Assuming phone and form tracking is properly set up following the techniques used in Part 1, the next step is for the agency to conduct lead validation.

What Is Lead Validation?

Lead validation is the process of separating sales leads from other types of conversions.

Non-lead submissions include spam, personal phone calls, customer support inquiries, sales solicitations and irrelevant inquiries. Extensive Straight North lead validation data indicates as much as 45 percent of form and phone inquiries are something other than sales leads!

Impact of Lead Validation on Cost Per Lead

Given this high percentage, it becomes clear that tracking analysis is fatally flawed unless non-leads are culled. Most agencies lump all conversions together; however, interpreting data in this way will lead a company to overestimate its conversions by as much as 45 percent — and underestimate its cost per lead (CPL) to the same degree.

Consider this simplified example: Suppose a given ad group is producing 25 conversions a month, at a cost of \$2,000. The company would calculate CPL at \$80. However, if the number of validated sales leads were 15, CPL would actually be \$133.

Result: Marginally effective campaigns are thought to be productive; money is poured into campaigns that in reality should be modified extensively or even discontinued.



STRAIGHTNORTH

Make every click count.®

Impact of Lead Validation on Campaign Testing and Optimization

The same math that demonstrates the drastic difference in CPL when lead validation is not applied explains the danger of adjusting PPC campaigns based on raw conversion data alone.

For example, consider keyword “A” that generates 50 conversions but only 10 validated leads, and keyword “B” that generates 20 conversions but 15 validated leads.

An agency basing campaign strategy on conversions alone would put more emphasis on keyword “A” and less on keyword “B.” An agency basing campaign strategy on validated leads would do the opposite, putting more emphasis on keyword “B.”

Result: One client puts more money into an under-performing keyword, and the other puts more money into a strongly performing keyword.

Beyond keywords, all other campaign variables are affected by the same logic, including:

- Search engine
- Campaigns
- Ad groups
- Ad text (offer, pricing, etc.)
- Ad display time of day and day of week
- Landing page (design, content, offer, call to action, etc.)

Since campaign optimization involves methodical testing and evaluation of all these variables and more, basing tests and interpreting results based on seriously flawed non-validated content compounds errors, which in some cases causes PPC campaigns to spiral out of control — downward. In stark contrast, campaigns refined through validated data tend to achieve rapid and substantial increases in lead acquisition and equally dramatic decreases in CPL.

Connecting Validated Leads to the CRM

Since the purpose of a PPC campaign is to generate sales leads *that in turn generate revenue*, validated sales leads from the campaign should flow into the CRM so the company can continue tracking from lead to sale. Important points to consider when linking up PPC campaign data to the CRM:

- All validated phone and form leads must be populated in the CRM.
- Additional marketing data for each validated lead should also be transferred, including referral URL, entry URL, marketing channel, search engine, campaign, ad group, keyword and match type.



STRAIGHTNORTH

Make every click count.®

- As the sales team works the prospect through the sales process, keep the CRM updated with notes and progress. When a deal is sold or lost, the CRM should be updated.
- The CRM can now run reports very useful to the sales team (and the PPC agency) — e.g., reports showing deals sold from each specific PPC marketing source sorted by date. This report will reveal a solid ROI calculation based on PPC spend and revenue.
- With data such as this, along with an understanding of other financial metrics like cost of goods sold, a company can set an ROAS (Return on Ad Spend) goal. The ROAS goal marks the point at which a company's marketing investment becomes profitable, and is used by the agency to optimize its PPC campaign.



Agency Evaluation Tip: Any PPC agency you consider should have a documented, proven lead validation system as part of its campaign. Validation is so important we recommend making it the first filter through which a prospective agency must pass.

ABOUT STRAIGHT NORTH

Straight North is an Internet marketing agency that helps growth-minded, small and middle-market firms generate online sales leads and e-commerce revenue. With an in-house team of over 60 full-time marketers, we have the depth and breadth to manage complex, multi-front campaigns that deliver continuously improving results.

Our services include PPC, SEO, display advertising, email marketing and responsive websites.

We are the only online agency that validates and reports sales leads in real time. This unique capability gives clients the ability to evaluate campaigns with unmatched accuracy, as well as monitor their leads with unmatched speed.

With clients throughout the United States, we have offices in Chicago, Charlotte, Baltimore and Washington, DC.

Our PPC experience goes back more than a decade, and we have achieved game-changing results for clients in a wide variety of highly competitive B2B and B2C niches. Please review these case studies for examples: <https://www.straightnorth.com/case-studies/ppc-case-studies/>



STRAIGHTNORTH

Make every click count.®

(866) 353-3953
www.straightnorth.com