

Pay-Per-Click Advertising: What Is PPC & How Does It Work?

If you have ever noticed the advertisements that appear alongside search results on Google and other search engines or come across an advert on a webpage you are already familiar with pay-per-click, or PPC advertising.

What Is Pay-Per-Click Advertising?

PPC is an online advertising model in which advertisers pay each time a user clicks on one of their online ads.

There are different types of PPC ads, but one of the most common types is the paid search ad. These ads appear when people search for things online using a search engine like Google – especially when they are performing commercial searches, meaning that they're looking for something to buy. This could be anything from a mobile search (someone looking for "pizza near me" on their phone) to a local service search (someone looking for a dentist or a plumber in their area) to someone shopping for a gift ("Mother's Day flowers") or a high-end item like enterprise software. All of these searches trigger pay-per-click ads.

In pay-per-click advertising, businesses running ads are only charged when a user actually clicks on their ad, hence the name "pay-per-click."

Other forms of PPC advertising include display advertising and retargeting.

How Does Pay-Per-Click Advertising Work?

In order for ads to appear alongside the results on a search engine (commonly referred to as a Search Engine Results Page, or SERP), advertisers cannot simply pay more to ensure that their ads appear more prominently than their competitor's ads. Instead, ads are subject to what is known as the Ad Auction, an entirely automated process that Google and other major search engines use to determine the relevance and validity of advertisements that appear on their SERPs.

How Keywords Work in Pay-Per-Click Advertising

As its name implies, the Ad Auction is a bidding system. This means that advertisers must bid on the terms they want to "trigger," or display, their ads. These terms are known as keywords.

Say, for example, that your business specializes in camping equipment. A user wanting to purchase a new tent, sleeping bag, or portable stove might enter the keyword "camping equipment" into a search engine to find retailers offering these items.

The image shows a Google search interface for the query "camping equipment". The search bar at the top contains the text "camping equipment" and a magnifying glass icon. Below the search bar, navigation tabs for "Web", "Maps", "Shopping", "Images", "Videos", and "More" are visible, along with a "Search tools" link. The search results indicate "About 4,080,000 results (0.59 seconds)".

Organic search results include:

- Camping Equipment Sale - SierraTradingPost.com**: Save Up To 70% on Camping Equipment. Love The Deals. Live The Adventure. Brands: Arc'teryx, Bill's Khakis, Burton, Columbia Sportswear, ... Rated Excellent in Customer Service - Stella Service.
- Outdoor Camping Gear - Kohls.com**: Shop Camping & Outdoor Gear. Kohl's® Orders Over \$75 Ship Free! Brands: AeroBed, Airbac, Big Agnes, Camelbak, ... 100 Derby St, Hingham, MA - (781) 749-0763.
- Camping Gear - Tents, Sleeping Bags & Camping Supplies ...**: Shop camping gear at Cabela's, featuring all your camping equipment including tents, sleeping bags, outdoor cooking, survival and navigation equipment. New & Top Rated Camping Gear - Tents - Camping Sale.
- Camping & Hiking Gear at REI: Tents, Backpacks, Stoves ...**: But we don't just sell camping equipment—we help you put it to use. Check out our dozens of camping and hiking articles and videos online, camping-skills ...

A sponsored shopping carousel is displayed on the right side, titled "Shop for camping equipment on Google". It features several product listings with images, titles, and prices:

- Oztent JV Signature Edi... \$1,500.00
- Stansport 2 Person Camp... \$127.99
- Camp Chef Outdoor Cam... \$229.00
- Ill Series Simpson Roo... \$242.67
- Cabela'sabela s outfit... \$969.99
- Kamprite Double Tent... \$223.03
- Kodiak Canvas Tent 6010 10... \$499.00
- Kodiak Canvas Cabin Tent wi... \$699.99

At the moment the user submits their search query, the search engine performs the complex algorithmic calculations that the Ad Auction is based upon. This determines which ads are displayed, in which order, and by which advertiser.

Since you have to pay for each click on your ads, it's imperative to only bid on keywords that are relevant to your business, so you can be sure to get ROI from your ad spend. A keyword tool can help you find the right keywords to bid on that are both likely to drive sales or conversions, and are not prohibitively expensive.

Actionable Insight into Your Pay-Per-Click Advertising Campaigns

Although the basics of pay-per-click advertising are simple, managing a successful paid search account can be anything but. Many advertisers simply cannot devote the time and effort required to stay abreast of developments to Google AdWords and Bing Ads, and many are missing valuable opportunities to grow their business through PPC.

Awogor Digitals Enterprise can help.

We can provide insight into actionable data, including:

- Keywords, including top-performing search terms
- Negative keywords that can save you money
- Conversions
- Ad performance information
- Bid optimization suggestions