

7

THE HIDDEN METRIC THAT CAN INCREASE YOUR SEARCH TRAFFIC 400%

Coverage is the percentage of the time that people see your ads when they search on your targeted terms.⁴ Stated in other terms, it is the percentage of the total possible impressions your ads received.

Most advertisers don't measure coverage. Yet as we saw in our opening chapter, 97% of advertisers have a coverage less than 20%. If you're one of these advertisers, you could increase your traffic fivefold by maximizing your coverage.

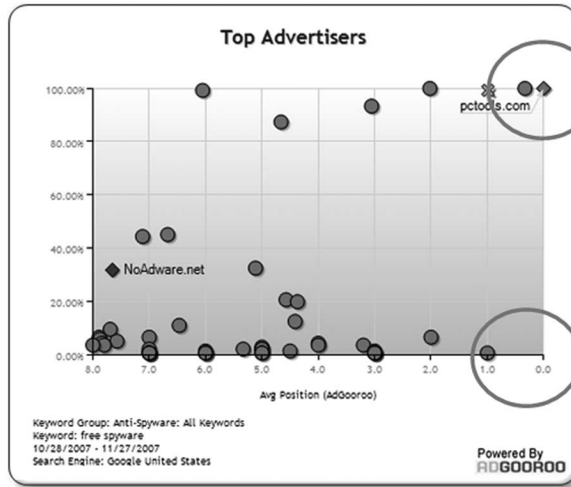
Coverage is rarely discussed in any online forum, but it is one of the key differences that separate great campaigns from mediocre ones. In this chapter, we'll discuss this concept and teach you an important rule: *Always maximize your coverage.*

LOW COVERAGE = LOST OPPORTUNITIES

Take a look at the next chart. On this graph, we've plotted coverage along the left axis and the average position on the bottom axis. At the upper-right are a few advertisers who appear 100% of the time when people search for the term *free spyware*. On the lower right is an advertiser who is bidding high enough to end up at the top of the search results, yet they only appear about 1% of the time.

This unlucky advertiser probably thinks that this is a low-traffic keyword, because she sees few impressions on the campaign reports. Little does she know that she could increase her traffic by a whopping 10,000% if she fixed her coverage problem.

⁴ Not to be confused with clickthrough rate, which is the percentage of visitors who click your ads after actually seeing them.



The advertisers on the top appear 100% of the time, whereas the advertiser on the bottom, who is bidding just as much, only appears 1% of the time!

Many people think that increasing their bids will give them more traffic. There is some truth to this, because higher bids tend to increase your position on the search results pages. Higher positions in turn translate to higher clickthrough rates.

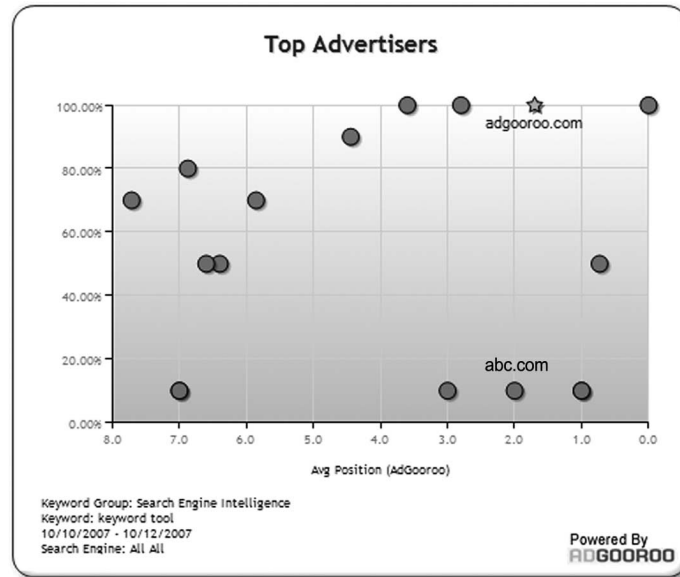
However, bidding more for a term doesn't guarantee you higher coverage. In fact, bidding more can actually reduce your coverage if several well-entrenched advertisers are already bidding for the top positions on the page! This is likely what happened to the unfortunate advertiser above.

At the end of this chapter, we'll talk about strategies for increasing your coverage. But for now, you just need to realize that impressions don't cost you anything, and they can actually build your brand awareness. So, ideally, you want to have 100% coverage.

Now let's look at the uglier side of the low coverage problem:

LOW COVERAGE MEANS YOU ARE OVERPAYING FOR TRAFFIC

Here's another example chart, this time for the phrase *keyword tool*. From this chart you can see that we (adgooroo.com) have a coverage of 100%. Referencing our campaign statistics, we learn that we're getting an average 1.0% clickthrough rate for this keyword. We pay \$1.40 for each visitor (CPC) and get about 12 clicks per day, for an average daily total of \$16.80.



The advertiser below us at position 2.0, whom we'll call ABC.com, is bidding roughly the same amount but is getting a coverage of only 10%. We could assume that if their ad performance is roughly the same as ours, they are getting 1.2 clicks per day for an average daily cost of \$1.68.

The reason they are only showing up at 10% coverage is that they are facing a number of well-entrenched advertisers (including us) who can't be easily dislodged. One strategy they could try is to reduce their bid for this keyword. Although this will drop their average position on the search results page, it often has the effect of increasing coverage.

Let's assume that this strategy works. ABC.com drops their bid to \$.75. Their average position drops to 5.0, their coverage increases to 100%, and their clickthrough rate drops by 40%. Here's what their keyword performance looks like now:

Average position: 5.0
 Average CPC: \$0.75
 Coverage: 100%
 Impressions: 1200
 Clickthrough rate: 0.6% (40% lower at position 5.0)
 Clicks: 7.2 (= 1200 × 0.6%)

Daily cost: \$5.40 (= 7.2 × \$0.75)

So what happened here? ABC.com is now paying 45% less for each visitor, and they've increased their traffic by 600%.

If you had a dollar to spend, would you rather spend it all to get one visitor to your site? Or would you rather pay a quarter for each of four visitors? Or perhaps a dime each for ten visitors?

The moral of the story is that before you think about increasing your bids to compete for more traffic, make sure that you've already maximized your coverage; otherwise, you're just wasting money.

AN EASY WAY TO SPOT COVERAGE PROBLEMS

Although spotting coverage problems is easy (just look for keywords with coverage below 90% or so), you'll need a tool to do it. AdGooroo Express and SEM Insight both provide reports for this.

ADGOOROO EXPRESS

AdGooroo Express analyzes your campaign for everyday campaign problems, including low coverage situations. The bottom half of your main Express reports has a tab called PPC Campaign Alerts:

Priority	Keyword	Alert	Graph	Dismiss	SE	R
	keywords	Clicks higher than normal range (Click fraud alert)			Google	US
	keyword suggestion tool	Ineffective ratio of Coverage to Avg Position			Google	US
	keyword suggestion tool	Coverage less than 50%			Google	US
	keyword analyzer	Ineffective ratio of Coverage to Avg Position			Google	US
	keyword analyzer	Coverage less than 50%			Google	US
	keyword rankings	Ineffective ratio of Coverage to Avg Position			Google	US
	keyword rankings	Coverage less than 50%			Google	US
	keyword tool	Ineffective ratio of Coverage to Avg Position			Google	US
	keyword tool	Coverage less than 50%			Google	US
	[Campaign]	Ineffective ratio of Coverage to Avg Position			Google	US
	[Campaign]	Clicks higher than normal range (Click fraud alert)			Google	US
	[Campaign]	Coverage less than 50%			Google	US
	keywords search	Ineffective ratio of Coverage to Avg Position			Google	US
	keywords search	Coverage less than 50%			Google	US

You may see either of two alerts:

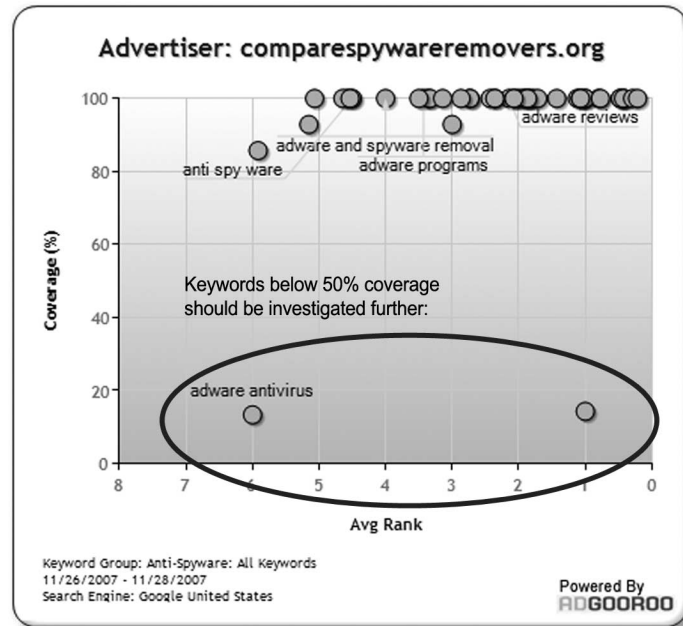
- Ineffective ratio of Coverage to Avg Position
- Coverage less than 50%

The first is more serious, because it indicates a situation in which you're bidding into the top positions but are getting less than 50% coverage, similar to the example above. You should address these problems as soon as they appear.

The second alert is similar, but it includes keywords that appear on the lower half of the search results page. Some ads for these keywords may be appearing on the second or third search results pages, but these ads aren't included when calculating coverage, so the coverage statistic (counting all search results pages) may indeed be higher than 50%. Whether to work on these keywords boils down to a judgment call. If you have the time and budget to correct them, then you should. If not, dismiss the alert and move on.

SEM INSIGHT

SEM Insight also includes an Advertiser Detail report that allows you to plot the coverage and rank of all keywords for a specific advertiser. Using this chart, you can spot all of the keywords with coverage problems in just a few seconds. Just look for keywords with less than 50% coverage.



STRATEGIES FOR MAXIMIZING COVERAGE

There are four strategies for addressing coverage problems:

Make sure your budget cap is higher than the search engine's recommended daily amount. More on this in the next chapter.

Make sure that the keyword is truly relevant to your business. If it isn't, the search engine may be intentionally limiting your impressions. If this is the case, either delete the keyword from your campaign or consider adding new landing pages to your Web site targeted to this keyword.

If the average position for this keyword is in the upper half of search results, try lowering it until it's around the sixth position. This often gets you out of the way of entrenched competitors, resulting in higher coverage.

Try optimizing your ad copy. Better performing ad copy results in higher clickthrough rates. This in turn can be rewarded with higher coverage. We don't cover ad copy optimization techniques in this book, but there are many resources on the Net you can consult.

SUMMARY

After building your keyword list, coverage is the most important statistic in your campaign. With low coverage, you are missing potential traffic and overpaying for the traffic that you are receiving. Thus, you should always seek to maximize campaign coverage.

To increase coverage for problem keywords, try

- Increasing your maximum daily budget.
- Deleting keywords that are not relevant to your business.
- Reducing your bids until your ads show up around the sixth position.
- Optimizing your ad copy.