SPENDING ON PPC SEARCH ENGINE MARKETING AND ITS INFLUENCE ON RETURN ON INVESTMENT

Introduction
- High traffic volumes and conversion figures on commercial websites are difficult to achieve
- Pay Per Click (PPC) systems and its management is complex and expensive
- There is a need to match advertising spending with Return on Investment (ROI)

Research Questions
- Which attribute of the PPC campaign affects ROI most in a dynamic situation?
- How can the manipulation of this attribute be used to positively influence ROI?

Literature review
- In aiming for the optimal reserve price - investigate the impact of ad links and multiple keywords on PPC adverts (Xiao et al)
- Most investigations on maximising ROI are done for a single keyword (Chen et al)
- One can manage multiple keyword campaigns dynamically using the second highest keyword price bid
- There is a need to help advertisers to model these conditions of PPC to achieve optimum profitability

Research Problem
- Collect data from existing, commercial PPC users
- Run an experimental website, identify and set up PPC parameters with an unknown effect on ROI
- Measure, define and test a multi optimisation strategy

Expected Outcomes
- Optimisation strategy to help optimise ROI
- Understanding of dynamism of PPC that will help advertisers focus on the correct attributes

References