

**Evaluate Your Approach to Paid Search**

KEYWORDS

# of Keywords	SKUs	Keywords to Test	Time spent	Suggested Allocation
			%	%

AD COPY

Is your Ad copy Effective?				Testing?	Time spent	Suggested Allocation
1	2	3	4	Yes / No	%	%

LANDING PAGES

Keywords landing on appropriate pages?				Testing?	Time spent	Suggested Allocation
1	2	3	4	Yes / No	%	%

BIDDING & ECONOMICS

Keyword level?	Multiple matchtypes?	Time spent	Suggested Allocation
Yes / No	Yes / No	%	%

A good rule of thumb to determine how much to spend on PPC advertising:

Your target ad spend % depends on your margin.

$$\text{Target A/S} = (1 - \text{COGS} - \text{variable costs}) / 2$$

So, a retailer with 65% COGS and 5% variable order costs (pick-pack-ship costs, phone support, etc) might spend  $(1-.65-.05)/2 = 15\%$  of net sales on advertising.

In other words, each ad dollar has to bring in  $1/.15 = \$6.67$  in sales.

Again, it's all about the margin.

Find more info on Paid Search, Website Usability and Conversion at: [RKGblog.com](http://RKGblog.com)

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