

**How to use pay per click (PPC) to target international B2B customers –
A PPC case study on www.westermans.com (used welding and machinery suppliers)
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Background to the company

Westermans is a family business based in Leicester that sell used welding and cutting equipment to manufacturers and fabricators from all over the world. They sell a large range of machines (from orbital welders to massive plasma cutters) and the majority of sales are one-off purchases by the B2B trade. As a result, the company has an ongoing marketing strategy to attract new customers. 70% of its business comes from the web.

Westermans was established in 1967 and set up its first website 12 years ago. In 2002, they converted the company's existing .co.uk site to www.westermans.com to reflect its international presence.

In 2007, Westermans started running its own Pay Per Click (PPC) campaign using Google Ad Words.

Project details and brief

Claire Spillane, marketing director at Westermans, attended a Business Link conference where Ann Stanley from Anicca Solutions presented a session on 'getting the most out of your pay per click budget.'

Due to difficulties experienced, Claire felt that the company's PPC account had not been set-up correctly. Ann from Anicca Solutions was brought in to restructure the company's PPC account. This would enable Claire to manage the PPC account more successfully on an ongoing basis. Anicca Solutions started working on the Westerman's PPC account on 23 January 2008.

PPC Campaign before the start of the project

1) PPC campaigns and targeting

The account had been split into three campaigns for the main types of machinery:

- Standard welding equipment
- Specialist welding equipment including orbital welders
- Plasma and cutting machines

The three campaigns were set-up to be seen:

- in any country in the world
- in any language
- on any search engine or website in the search or content network (ie partner sites that display Google ads).

2) PPC ad group structure

Each campaign only had one ad group. This contained:

- keyphrases for all the different types of welding equipment
- one ad with generic ad copy
- one landing page to the availability page on the website

3) PPC conversion tracking

This had not been implemented.

4) Problems with this set-up of the PPC account

- The account was impossible to manage and understand where the traffic was coming from
- Lots of wasted impressions – ads were being displayed in English on foreign language websites. This lack of targeting gave low click through rates (CTR) and 'quality scores' (because the ad was irrelevant for most people that saw it)
- More competitive markets such as the UK and Australasia were being starved of budget – they also require a higher cost per click (CPC) to get reasonable positions and traffic
- Only one ad group meant that all the different types of equipment had the same ad, also resulting in low CTR's and quality scores
- No data on conversion rates, cost per conversion and whether this varied by location (or network)
- Use of content network resulted in cheaper cost per click but was this converting into leads?

Although it may seem strange that the campaigns and ad groups were not more targeted; this is quite typical of the way that many companies set up their own PPC accounts (unless they get help from an agency or they have specific training or experience in PPC).

After the PPC account was restructured – this took place in January 2008

1) Restructure of the PPC campaigns

The PPC campaigns were restructured in order to:

- retain separate campaigns for each of the three types of machines
- separate out the search network from the content network (these were paused temporarily)

- only target the English language sites
- split into geographical regions or 'bundles' (using Google's geo-targeting tool)
 - i. UK
 - ii. Europe/Eastern Europe/former Soviet Union
 - iii. Oceania
 - iv. South Asia
 - v. East Asia
 - vi. Middle east
 - vii. Africa
 - viii. USA/Canada (not required due to machines having a different voltage)

This resulted in 7 x 3 campaigns. Each was allocated a new budget according to the level of traffic.

2) Restructure the ad groups

For each of the three types of equipment up to 20 new ad groups were created relating to the types of machinery within that category. New specific ad copy was created and the new destination urls allowed users to click through to landing pages relating to the equipment they had searched on. This has had a dramatic effect on improving the click through rates.

3) PPC conversion tracking

Although this took some time to implement, the early results show a lead conversion rate of 3-5% and a cost per lead of £5-10. However this varies significantly by region and type of equipment and it may be that some countries look but don't buy!

Results (averages in January/February 2008)

	Welding			Specialised welding			Plasma & cutters		
	Daily spend	CPC	% Conversion	Daily spend	CPC	% Conversion	Daily spend	CPC	% Conversion
Original search & content (7-21 Jan 2008)	£48.21	21p	-	£19.64	17p	-	£23.14	16p	-
New search campaigns (29 Jan – 5 Feb)									
	Daily spend	CPC	% Conversion	Daily spend	CPC	% Conversion	Daily spend	CPC	% Conversion
UK	£35.37*	31p	3.70%	£9.39	35p	4.55%	£7.10	35p	4.17%
Europe	£8.51	24p	4.00%	£3.83	36p	0%	£0.76	30p	0%
South Asia	£7.57	24p	3.03%	£3.71	23p	0%	£1.39	26p	5.88%
Africa	£3.71	26p	0%	£1.45	17p	0%	£0.35	27p	0%
Oceania	£15.39	24p	3.08%	£3.46	36p	0%	£1.13	30p	0%
South America	£2.97	21p	4.55%	£0.13	20p	0%	£0.31	31p	50.0%
East Asia	£4.42	27p	4.88%	£1.34	25p	0%	£0.55	33p	0%
Middle East	£2.51	25p	6.67%	£0.89	34p	0%	£0.11	18p	100%
TOTALS	£80.45*	-		£24.2	-		£11.70	-	

*UK search for welding equipment has now been increased to £50/day to meet demand

Impact on the business

The changes to the campaign have had the following impact on the business:

- More traffic – however the average cost per click (CPC) has risen from 18p to 27p, mainly due to turning off the content network and a larger proportion of the spend coming from the UK, Europe and Oceania (these have a higher CPC)
- The budgets have been reallocated to where there is the demand, eg the UK welding budget has now been raised to £50/day
- More targeted traffic with less waste – all in English
- More sales! It is now possible to measure lead conversion so that areas resulting in leads will be allocated more budget
- We now need to establish whether the cheaper traffic from the content channel actually converts.

Claire Spillane, marketing director at Westermans, said: "Before bringing in Anicca Solutions, the biggest problem we faced with PPC was controlling our spend. Whilst we were getting lost of clicks, we had no real idea where these clicks were coming from, why we were getting them or what the conversion rate was. There was a lot of duplication and a waste of our resources, time and money, with no measure of what our return on investment was, if any.

"Since working with Ann Stanley at Anicca Solutions, our PPC activity has been transformed. We are now able to monitor all our activity, control our spend and allocate budget to where it brings us the best results. For example, we have been able to reallocate budget to focus on more profitable geographies and target

markets, delivering us increased sales and profit. We were previously starving the PPC budget in those areas that bring us the most profit.

"Now we have this insight, we have been able to target our best customers more effectively. With clever use of budget, our conversion rates and sales have gone up. In fact, we have actually upped our PPC spend as we are experiencing real benefits and want more. PPC is now really making an impact on our bottomline and on the success of our business."

Lessons learned

1) Targeting your customers

Irrespective of the number of products or services you provide if you wish to sell to an international market you need to ensure that you set-up your pay per click campaigns to target individual locations, languages and networks.

For most companies you should focus on just using English and the search network. Then divide your campaigns according to product/service group and location (either region or specific countries). If you can only do business in English then there is no use appearing on search engines or website in another language. If you can do business in specific languages then you need to get your keyphrases and ad copy translated in order to ensure that your ad is relevant and you achieve a good click through rate (CTR) and quality score – otherwise you will have poor positions and pay more!

This approach can also be applied to companies that serve their customers within specific regions within the UK; campaigns can be set up to be displayed in certain towns, counties or a distance from where you trade.

2) Ad groups and keyphrases

These need to be finely split so that the keyphrases, ad copy and landing pages are all closely related. This way you will have a good CTR and quality score because your ad will be more relevant for the keyphrases used. This can improve your positions and reduce the cost per click (CPC) you actually pay.

You also need to use the keyword tool and make sure you have added in all the different keyphrases.

Clone the keyphrases so you have two copies of each keyphrase:

- o 'exact match' – where the phrase is only displayed if it is typed in exactly
- o 'broad match' so it also displays the phrase in combination with other words

You may also need to use negative words to stop unwanted combinations; in this case Westermans have 'mask', 'rods' as negative phrases so they are not found for 'arc welding mask'.

Make sure you regularly delete any keyphrases that have a CTR of <1% and modify the ad copy to ensure that you have a 'great' quality score.

3) Conversion tracking

Irrespective of whether you sell online or generate leads it is essential that you have a thank you page after your registration or shopping cart - so you can track conversions. If your conversions are <1% then there is probably something wrong with the way your site is laid out. This could be a design issue, lack of calls for action or the registration/buying process could be difficult to use.

Although Westermans only have a few days data; the % conversion rate is good and the **results already indicate that the specialist machinery (which tends to be very expensive) and certain countries have a lower conversion rate**. Once more data is collected it will be possible to delete phrases that consume a lot of budget but do not generate any leads.