5 Ways to Master Your PPC Budget in 2018 by @LisaRocksSEM

“What should we be budgeting for PPC advertising?”

This is one of the most common questions marketers have been hearing as the new year approaches.

To answer that question, let’s look at five PPC budgeting best practices that will put you on a path to budgeting success.

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1. Spend the Allotted Budget Over the Year

“Use it or lose it.”

I’ve heard this so many times when it comes to PPC budgeting.

If you’re under-spending on your core programs, try testing additional advertising channels, such as remarketing, display, or Facebook Ads.

Not reaching your budget can happen for a few reasons.

One reason could be that you aren’t setting the budget high enough to take advantage of all of the volume.

Whether it’s AdWords (new or old) or Bing Ads, you will see feedback on budget calculations that look like this:



Please note the calculations may be for different time periods

than your actual budget time period. These calculations assume the keyword bids remain the same. The CPA remains the same in this scenario, but be sure to hand calculate out if the estimate for the CPA scales out at the same rate.

Another common reason for not reaching your budget?

Your bid settings may be limiting the amount of traffic you can reach:



In this scenario, increasing the bid doesn't necessarily lead to more conversions or clicks. Thus, increasing the bid to get one or two more conversions would depend on how much your conversions are worth.

2. Allow for Seasonality

E-commerce companies have seasonality and holiday trends down to a science. But most PPC advertisers have some level of seasonality associated with searches for core keywords.

Wouldn't it just be easy to take the annual budget and divide by 12?

No such luck.

In AdWords (old), go to the *Keyword Planner* > *Beta get forecasts* > *search volume trends* to find a graph similar to this:



In this graph, the lowest volume is in November, with 14,000 searches per month. Search volume peaks in June, with 68,000 searches.

This is one insight you definitely could take advantage of when planning your PPC budget.



In Bing Ads, for the exact same keywords, we see the volume follows similar trends with a lower overall estimate of 5,000 searches on the low end and about 40,000 searches on the high end.

Again, this is an opportunity that could be missed if you aren't allocating the budget for seasonality on Bing Ads – or, worse yet, you aren't using Bing Ads as PPC platform.

Most businesses will have some sort of seasonality, even if it's just a slow down during the holidays for B2B companies.

Analyze search volume trends alongside revenue trends.

3. Budget Allotted Per Product Line/Initiative

Some PPC advertisers forget to set budgets properly for product/service lines by ROI or revenue goals.

There are a few different ways to think about this.

You can allocate more budget to one of the following:

- The top sellers.
- Highest return.
- Items that need the most promotion and exposure to increase sales.

Regardless of which approach you take, this should be a consideration in each PPC account.

How the budget is allocated will be unique to each business and its goals.

4. Allotting Budget Per Tactic

It’s important to remember that each stage in the buying funnel has its own value.

The budget should be considered per tactic – and where it hits in the buying funnel.

For example, certain keyword searches are closer to the sale for brand terms whereas display campaigns may be more about generating brand awareness.

Read the next section for more on how to determine the value and budget for this with the assisted conversion reports.

5. Majority of the Account Should Reach the Marketing Goals

Does that seem like an odd statement? Why shouldn’t *all* of the account reach the marketing goals?

While we have made great strides in attribution, it isn’t always possible to get the most accurate performance reporting.

We can’t always see a campaign convert to meet the goal for CPA.

At times it’s important to be present for certain searches for branding and awareness, and because they assist with final conversions.

There are several great reports in AdWords that can shed light on the impact of campaigns on one another. Find them in the old version: *Tools > attribution.*



In the assisted conversions report, in click assisted

conversions, we can see how campaigns contributed to the last click conversion. These campaigns were clicked on, but ultimately were not the final click that led to the conversion.

As an important part of the conversion path, we should consider these assisting campaigns in the budget allotment, even though we may see a lower ROI or perceived lower performance than other campaigns.

Final Thoughts

The larger the marketing initiative, the more complicated PPC budgets can become.

There is no one-size-fits-all calculation to PPC budgets, but allocation toward organizational goals, based on volume and campaign performance, is key.

More Paid Search Resources Here:

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