

Study: Pay-Per-Click Ads Beat Search Engine Optimization

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Where should you put your precious marketing dollars?

1. Make your website better so that visitors will type in your directly and bookmark it to return later.
2. Buy pay-per-click advertising with Google.
3. Populate the web with links back to your website.
4. Hire search engine experts to optimize your size to that it will be found first in organic search results (i.e., the non-sponsored links presented naturally by a search engine).

A new study by [Engine Ready, Inc.](#), a search marketing software company in San Diego, concludes that **the priorities are just as listed above. Interestingly, pay-per-click advertising was a better source of sales revenue than SEO.**

To understand how the source of website traffic affects visitor purchase behavior, Engine Ready studied 27 companies during a two-year period measuring visitor metrics by traffic source. One purpose was to find insights on how to best leverage your online marketing budgets among the four main traffic sources: organic search engine results, paid listings, other referral sources and the best one of all: visitors who access your website directly or who have bookmarked your site.

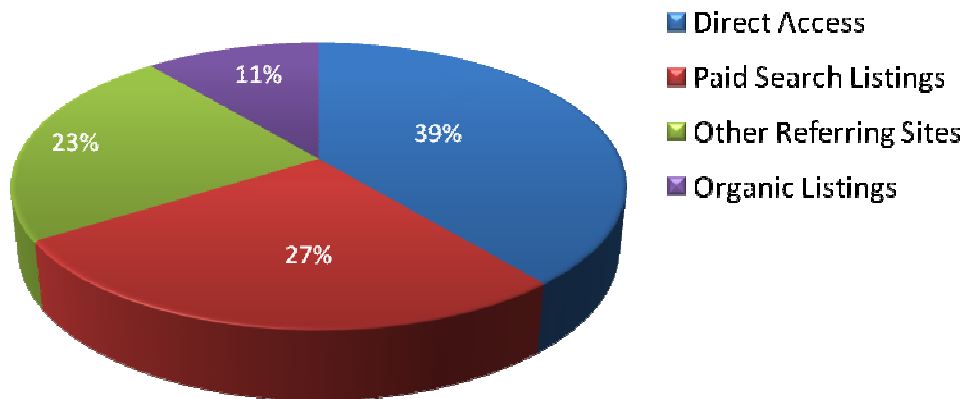
Upon completion of data compilation, the researchers found that the aggregated sales dollar volume resulted in a distribution among the four traffic source categories as follows:

- Direct Access/Bookmarks – 39%
- Paid listings – 27%
- Other referrers – 23%
- Organic listings – 11%

Note that the highest percentage of sales dollars (39%) was generated from visitors who arrived at the sites via direct access or repeat visitors using

bookmarks.

Sales Volume by Source of Traffic



The most productive visitor

A common thread throughout the research was that visitors arriving via direct access or a bookmark stay longer, view more pages, are more likely to purchase and more likely to spend a higher dollar amount than visitors from other sources. Because the only way a visitor could arrive via a bookmark is from a previous visit to your site, many of these visitors were probably familiar with your firm's product or service offerings.

Assuming then that a much larger percentage of this group of visitors visited the site before (compared to other sources), then it becomes quite clear, and perhaps not too surprising, that **repeat visitors are more valuable than new visitors.**

These results reinforce the importance of providing reasons to compel your visitors to return often to your site.

Conversion rate: the number of orders divided by the number of visits was highest with direct access/bookmark traffic, followed by other referring sites, paid listings, and organic results.

Average order value: the visitors who spent the most money were those who arrived by direct access or from other referring sites; paid search brought bigger spenders than organic search results. A visitor from a paid traffic source was worth 41% more than a visitor from an organic listing, according to the report.

Average time spent on a site. The range of average time spent on the site based on traffic source was relatively large. **In fact, the source producing the most "sticky" traffic (direct access/bookmark) produced average length of stays 50% longer** than the lowest performing source (organic listings) in this category.

Number of page views per visit. The average number of page views based on the source of the visit were highest for direct access, then other referring sties, organic listing and in last place, paid listings.

SEO versus PPC

Ever since the pay per click model became a technique for marketers, there has been an ongoing debate whether an investment in search engine optimization generates a higher return on investment than paying for clicks using a PPC advertising model. On an individual basis, there is a multitude of factors that determine how well your visitors will convert when arriving from a search engine. Looking at the big picture across the entire sample size, though, did show that visitors from PPC ads outperformed those from organic listings in every category except average number of page views per visit.

Additionally, paid traffic converted at a 20% higher rate and experienced an average order value 18% above that of traffic from organic listings. The study showed that, paid traffic returned a more valuable visitor than that from organic listings.

Download the full report at <http://bit.ly/63oTE>