# How To Create
# A ClickBank Business

## *That Generates A Consistent*
## *And Predictable Income*

**Version 1.0.0 (2010/06/03)**

**Earnings Disclaimer**

The information you'll find in this book is to educate you. We make no promise or guarantee of income or earnings. You have to do some work, use your best judgment, and perform due diligence before using the information in this book. Your success is still up to you. Nothing in this book is intended to be professional, legal, financial and/or accounting advice. Always seek competent advice from professionals in these matters.

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First of all, I want to tell you that English is not my first language. That's why this book may contain a lot of lingual mistakes. However, I would not want you to lose an important opportunity to change your life for the better because of irritation over my illiteracy.

I would appreciate if you could send me a couple of found mistakes so I could improve this book for future readers.

Thanking you,
Sergey
cbgraph@gmail.com

# Contents

# The Purpose Of This Book

The purpose of this book is to show you different ways of achieving profits promoting quality ClickBank products with efficient usage of Pay Per Click Advertising.

After reading this book, you will realize how to build your affiliate business with a consistent and predictable income.

If you are looking for get rich quick schemes then you can close this book right now, because they are not here.

But if you are ready to work persistently for several months and possibly years, I'll show you the most reliable affiliate business models. You can build a business around the subject you love with minimal risk and maximum potential.

By applying the knowledge from this book, you will be able to earn $1,000 per month, $10,000 per month or even more. Not as a compulsion but as a recommendation, you should help the poor and needy people in the amount of at least 10% of your profits.

If you have any questions, write to me at cbgraph@gmail.com. I am always happy to help you.

Sergey

# Chapter 1. An Introduction To The Affiliate Marketing

## 1.1. Who A Vendor And An Affiliate Are

Let's imagine a guy. His name is John. John wants to earn money online.

He suffered from acne for 10 years. He tried a lot of solutions to treat his problem but nothing could help him. At last he found a great method that completely removed his acne.

And now he wants to help other people who suffer from this disease.

He decided to write an ebook on how to cure acne, create a website and begin to sell his ebook online.

It took some time and people began to come to John's website and buy his ebook. Small sums of money from the sales started to come to John's bank account every day.

But once, Lucie, the author of a popular blog about skin care, read John's ebook. Lucie has been looking for an effective acne treatment for years. After trying John's method she was delighted.

Lucie wrote John an offer of cooperation. She told him she wanted to recommend his ebook to her readers, but she certainly would appreciate some reward.

John proposed to her a 50% commission from each sale that came from Lucie's blog. He gave her a special link from his tracking system, so every customer who comes from that link will be marked as Lucie's reader.

Lucie agreed and wrote on her blog a post about how much she liked John's method. Thousands of her readers came to his website and many of them bought John's ebook.

In a matter of days John and Lucie have earned several thousand dollars and were very satisfied with their cooperation.

John was amazed by such opportunity. Usually his website generates 2-3 sales a day, but here after the advice of his affiliate, Lucie, 300 people bought his ebook in just a couple of days.

Since then John is looking for affiliates who have a lot of relevant readers, invites them to such cooperation, and both earn good money.

## 1.2. A Cooperation Of Vendors And Affiliates Is A Win-Win Combination

From the previous example it is clear that it is enough for John to negotiate with affiliates that already have a lot of targeted readers to receive a substantial income.

If John's website was regularly promoted by many affiliates, John would not need to pursue efforts to find new customers. All the work for him would be done by his affiliates.

On the other hand affiliates don't have to:
- create own products
- sell anything, write sales copies
- collect payments or issue refunds
- deal with customer support
- manufacture, store, pack and ship physical products
- recruit other people
- work in a specific place, they can run an affiliate business from just about anywhere in the world via the Internet

## 1.3. What An Affiliate Network Is

And now imagine a website where many vendors register their products and thousands of affiliates search for products they want to promote. Such website is called an affiliate network. Such websites exist and there are more than 100 huge affiliate networks nowadays.

By registering John's ebook in some affiliate network, many affiliates might find it and start to promote it. John doesn't even need to search and contact them.

On the other hand, any affiliate can find awesome products on any topic in the affiliate network.

## *1.4. How An Affiliate Can Promote Products*

If you want to become an affiliate, you should be able to find customers, whom you will send to a vendor's website. The more you send targeted and quality traffic to the vendor's site, the more you can earn.

You can start your affiliate business with no visitors.

There are free and paid methods of getting traffic. The most important difference between free and paid traffic is the elapsed time. You may either invest your free time or your money.

In Chapter 3, I'll show you how you can get your first buyers in less than 24 hours and I'll teach you many subtleties of effective use of Pay Per Click Advertising. In fact, you don't have to spend a lot of money in the beginning.

Using the free methods, you will need several months or even a whole year to see the first results.

But before we begin to get traffic, we need to choose good products for promotion. My favorite affiliate network is ClickBank. In the next chapter you will find many useful tips on using this network.

# Chapter 2. How To Choose Profitable ClickBank Products

## 2.1. 11 Reasons Why You Should Promote ClickBank Products

[ClickBank](#) is one of the leading affiliate networks, focused on digital products, such as ebooks, audio courses, videos, etc. In this network more than 10,000 vendors and 100,000 affiliates are registered.



What makes ClickBank so popular?

1) Participation in the ClickBank affiliate program is free.

2) ClickBank affiliate commission of up to 75%. You can promote products with bigger reward with the same efforts.

3) As you promote digital products, the profit in your account appears in a few minutes after payment.

4) The ClickBank Marketplace has tens of thousands of products from a variety of niches.

5) You can start promoting any product immediately. You do not need to draw up individual contracts.

6) ClickBank provides a very detailed and accurate sales statistics.

7) ClickBank handles all monetary transactions, combines commissions from all your promotions and pays your earnings biweekly or even weekly.

8) ClickBank has already paid more than 1.5 billion dollars to its customers. Payments are carried out on time.

9) ClickBank offers customers a 60-day money back guarantee funds. This facilitates sales.

10) According to Quantcast statistics of the domain name for ClickBank clients, US demographics is represented more by middle aged people (35-49 yo), 38% of clients have an annual income of at least $100'000.

## US Demographics ⑦

Updated 3/2010 • Next: 4/2010

| | | Index | | | | Index |
|---|---|---|---|---|---|---|
| Male | 61% | 125 | No Kids 0-17 | 62% | | 105 |
| Female | 39% | 76 | Has Kids 0-17 | 38% | | 91 |
| 3-12 | 1% | 12 | $0-30k | 22% | | 122 |
| 13-17 | 7% | 56 | $30-60k | 24% | | 92 |
| 18-34 | 31% | 106 | $60-100k | 15% | | 55 |
| 35-49 | 47% | 170 | $100k+ | 38% | | 138 |
| 50+ | 14% | 60 | | | | |
| | | | No College | 54% | | 121 |
| Cauc. | 71% | 90 | College | 38% | | 93 |
| Afr. Am. | 19% | 208 | Grad. Sch. | 7% | | 51 |
| Asian | 2% | 43 | | | Internet Average | |
| Hisp. | 7% | 82 | | | | |
| Other | 1% | 86 | | | | |
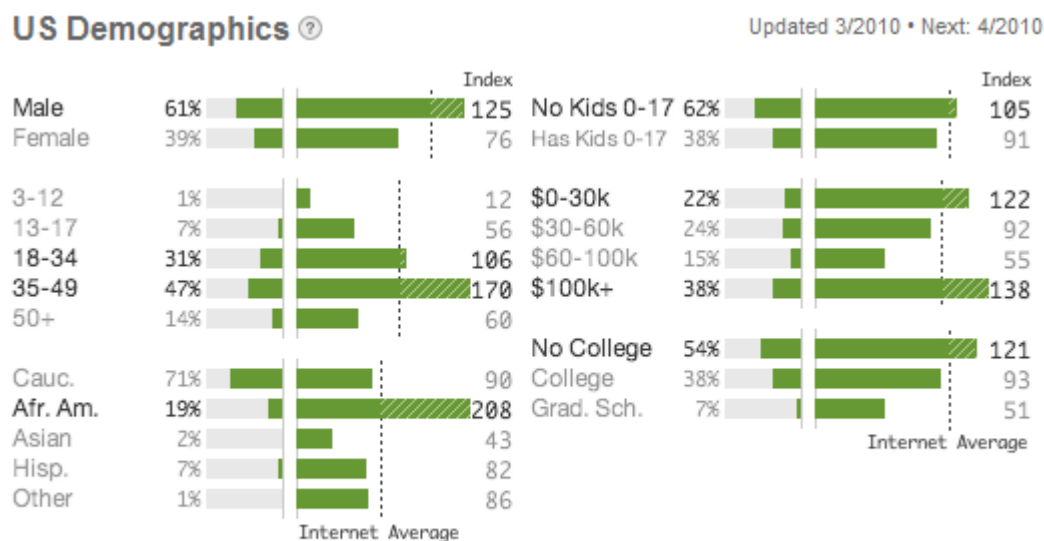
Internet Average

Income represents total household income.
100 index is internet average.

11) According to Google Trends the keyword "clickbank" is steadily gaining popularity. Taking into account the small rollback at the end of the chart, we can assume that uptrend is expected in the near future and now is a suitable time to enter into this market.

A

2004      2005      2006      2007      2008      2009

News reference volume

0
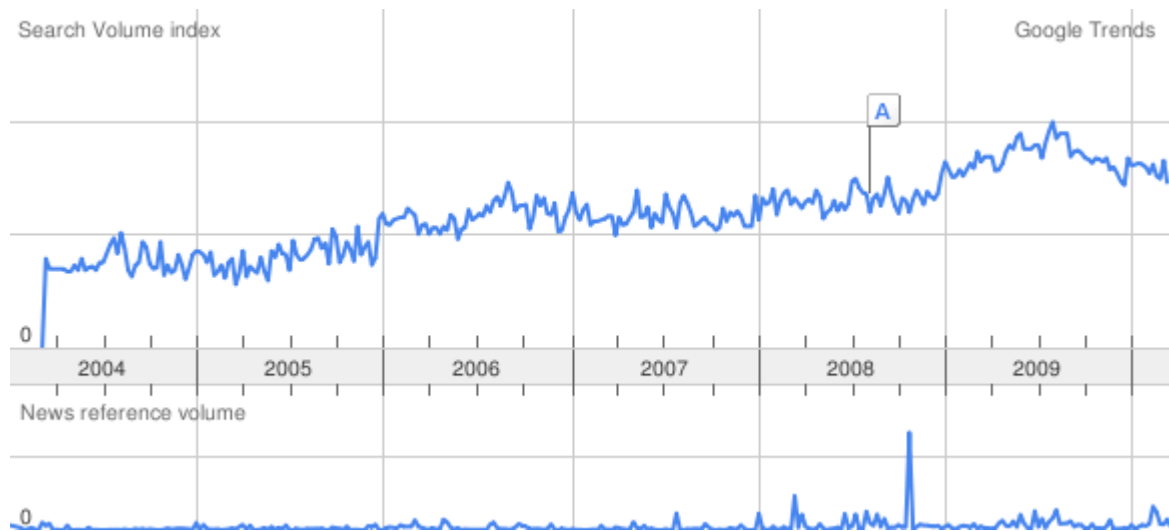
## 2.2. The ClickBank Marketplace

The ClickBank Marketplace is a place where you can find information about more than 10'000 vendors whose products you can promote. The Marketplace is divided into categories to make it easier to find products of certain subjects.

Each vendor has his/her own unique ClickBank ID. Entering this ID into the ClickBank search form, you'll immediately find a vendor. Remember vendors by their IDs.

Each vendor may have up to 500 items: different products, discounts, combinations of products, etc.

For each vendor ClickBank publishes statistical data, such as gravity, $/sale, %/sale, %/refd, total $/sale, future $. You should understand what these factors mean, so later in this chapter I give you a description of them, as well as tips on how to use them.

## 2.3. Tips On Choosing ClickBank Products

Here I want to give you some tips on what products are the most successful in promoting. Since ClickBank Marketplace contains tens of thousands of products, you should be careful when selecting products.

Some products are much easier to promote than others. So:

**1) Find a product that treats an urgent problem or solves a problem which is painful for customers.** For example, a treatment for some painful

illness, an effective solution for some uncomfortable condition (like a fat body, weak muscles or even bad performance in some sport) or highly secretive information in some area of interest.

When a customer comes to a sales page for the first time, it's very desirable that he/she buys the product. Needless to say that if the person doesn't buy a product the first time he/she most likely will never buy.

Check the sales page for the product you want to promote. Does it solves a painful problem and is the solution is urgent?

**2) Another great category of products is "How-to products".** Many of such products have high conversion rates.

To have a success with a product of this type:
- customers must have an irresistible passion and a desire to this product
- the product must have gravity more than "10"

**3) Also look for products that customers won't purchase in a shop.** There are a lot of things that people hesitate to ask for, because they don't want to be embarrassed. And there are a lot of such products that are popular in the ClickBank Marketplace.

**4) Unless you have an established business in a money-making niche, you should not promote business-related products, especially related to how to make money with ClickBank.** Because:
- People who buy such products know about ClickBank and more likely will buy through their own hoplinks
- Many of such products have "fakely" huge gravity, because they are purchased by affiliates for their personal usage

**5) The solution you are promoting has to have enough search volume.**
Make a keyword search before you decide to promote a product. Do terms related to the product have enough search volume? You can use Google AdWords Keyword tool to do your research. Type in some keywords you associate with the product and this tool will give you information about search volumes and will provide you with many other related keywords you can use. Or you can type there a URL of the product's sales page and let Google find related keywords. There should be enough searches, look for keywords with at least 1'000 monthly searches (using the [exact] matching).

If the product doesn't have enough audience interest, it will be very hard to promote.

This also reflects to a niche selection; focus only on the niches that have traffic.

**6) Make sure that the vendor does not accept any other payment methods other than ClickBank.** Some vendors allow customers to pay for their products in several ways, such as PayPal, check, etc. If the buyer whom you referred doesn't buy the product through the ClickBank Order page, you won't receive any commission.

You *should not* promote vendors who provide additional options of payment.

**7) It is desirable to find a whole niche in which you can advise several complementary products.** We'll get to this point of view in one of the last chapters of this book.

## 2.4. How To Refer People To A Vendor's Website

When you chose a vendor whose products you want to promote, you need to make a HopLink. It is easy to do. HopLink has the next format:

http://AFFILIATE.VENDOR.hop.clickbank.net/

Here AFFILIATE is your ClickBank ID, which you've chosen when registering. VENDOR is a ClickBank ID of a vendor whom you want to promote. Each vendor has a unique ID.

If people go through this link and buy the vendor's product, you will earn a commission. Even if they don't buy the product immediately, ClickBank will mark them. And if they return to the vendor's website during 2 months and buy the product, your commission will be credited.

Thus, your task is to refer people through your HopLink to the vendor's website.

**Adding Tracking IDs to Your HopLinks**

You may add a Tracking ID to the ending of your HopLink:

http://AFFILIATE.VENDOR.hop.clickbank.net/?tid=YOUR_TRACKING_ID

You may place your HopLink in different places (on your website, on your blog, in a forum post, in a video, on your twitter). By using a Tracking ID you'll always know where sales come from and conversion rates of different sources.

A Tracking ID can be up to 24 characters long, and must consist only of numbers and/or letters.

**Testing Your HopLink**

You should test your HopLinks before use them. To do this:
1) Go through your own HopLink
2) Then click on the Order button
3) When you are on the ClickBank order page, scroll to the bottom of this page
4) Ensure there is a message [affiliate=YourClickBankID] there


**Encoded HopLinks**

ClickBank provides the ability to encode a HopLink. This is done so that a customer couldn't see the ID of a vendor whom you promote and apply it to their own HopLink. This is done to prevent theft of your commission.

The mechanism of HopLinks encoding is called ClickBank HopLink Shield. On the ClickBank website you are able to create only encoded hoplinks. However ClickBank supports all kinds of HopLinks.

If you want to decode your own or another's HopLink, you can take advantage of this hidden page on the ClickBank website:
http://www.clickbank.com/hoplink_decoding.htm

## 2.5. A Free ClickBank Analysis Tool CBGraph

Before we go further, I'd like to introduce you to my free ClickBank analysis tool CBGraph. I've created it for the convenience of ClickBank affiliates. With it, it is easy to find vendors, as well as to view their statistics. I encourage you to use it.



## 2.6. Statistical Data Of ClickBank Vendors

To find truly profitable products, you should understand ClickBank statistical data. ClickBank provides historical factors such as gravity, %/refd, avg $/sale, avg %/sale, $future, total $/sale and commission.

A vendor's statistical data can show you:
- Efficiency of the vendor's sales page
- The vendor's sales volume
- How much you will earn by referring a paying customer to the vendor's website
- The competition level among ClickBank affiliates who promote this vendor
- If the vendor's customers often ask for a refund (low-quality products)
- And many, many other things…

Here is how I see and use these factors.

## 2.6.1. Gravity

Gravity is the most important statistical factor of a vendor. Roughly speaking, it shows how many affiliates have received a commission for the last 8 weeks, by referring people to the vendor's products.

**How does ClickBank calculate gravity?**

Gravity is a sum of scores of affiliates who promotes the vendor's products. It is updated every day.

If an affiliate sold at least one copy of the vendor's product yesterday, he/she adds 1 to the vendor's gravity.

If the last sale of an affiliate was the day before yesterday, this affiliate adds only 0.96.

3 days ago: $0.96^2$ => 0.9216
4 days ago: $0.96^3$ => 0.884736
n days ago: $0.96^{(n-1)}$

For example, only 2 affiliates promote some vendor.

The first affiliate sold 3 copies of the vendor's product yesterday and 7 copies the day before yesterday. He adds 1 to the vendor's gravity.

The second affiliate sold only one copy of the product the day before yesterday. He adds 0.96.

Thus, the new value of the vendor's gravity is 1 + 0.96 = 1.96.

**How to use ClickBank gravity?**

I think you should not promote products with gravity less than "5". Such gravity tells us there are only few affiliates who have sold this product. It signals us that either the product's sales page doesn't work well or too few affiliates have tried to promote this product.

When you see a product with gravity "5-20", you should check its activation date. If it is a new product, start to look after it. Such product can become popular very soon.

A gravity level "20" is a definite proof of a great sales page.

Products with gravity between 20 and 100 are the most appropriate to be promoted. Be sure these products are successfully sold and plenty of them provide value to customers (a low refund rate).

You should not promote products with gravity more than "100" because too many affiliates are promoting them and these products are very competitive.

**Gravity graphs**

[CBGraph](#) can produce graphs showing historical trends of ClickBank products' gravity.

When a product is gaining the popularity, its gravity graph is climbing up.
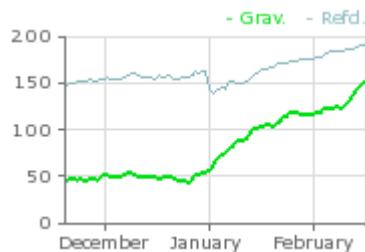


Otherwise, when a product is losing its popularity, its gravity graph is dropping down. Stay away from products that have a very rapid drop at the end of their gravity graphs!
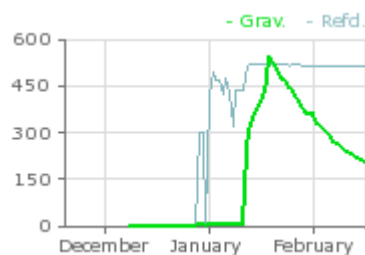


## 2.6.2. %/refd

I think ClickBank Gravity is the most important factor you should consider when you are choosing products to promote. But comprehension of other ClickBank factors gives you some additional information about products.

Another notable factor is ClickBank Referred (%/refd). Combining it with gravity you can guess activity of any vendor's affiliates.

**%Referred is a fraction of a vendor's total sales that are referred by affiliates.**

- If a product's Referred is more than 80%, there is a huge competition among affiliates who promote this product.

- Low Referred (< 25%) means:
    o It is hard to promote this product (or)
    o The product is new and there is still a lack of competition (or)
    o This product has low quality

- If some vendor has Gravity more than 30 and Referred less than 50%, it means that this vendor generates a lot of sales without his/her affiliates' help.

You should know:

- Rising ClickBank Referred means that more and more affiliates start to promote the product
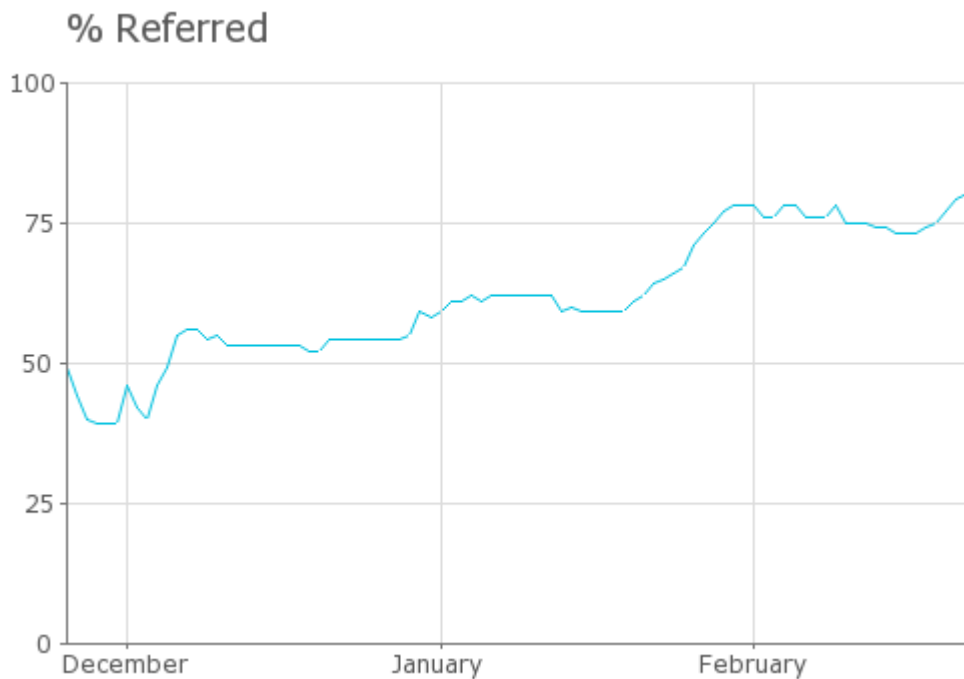


% Referred

- Decreasing ClickBank Referred means that affiliates stop promoting it. Check whether it is a good product or you should stay away from it.
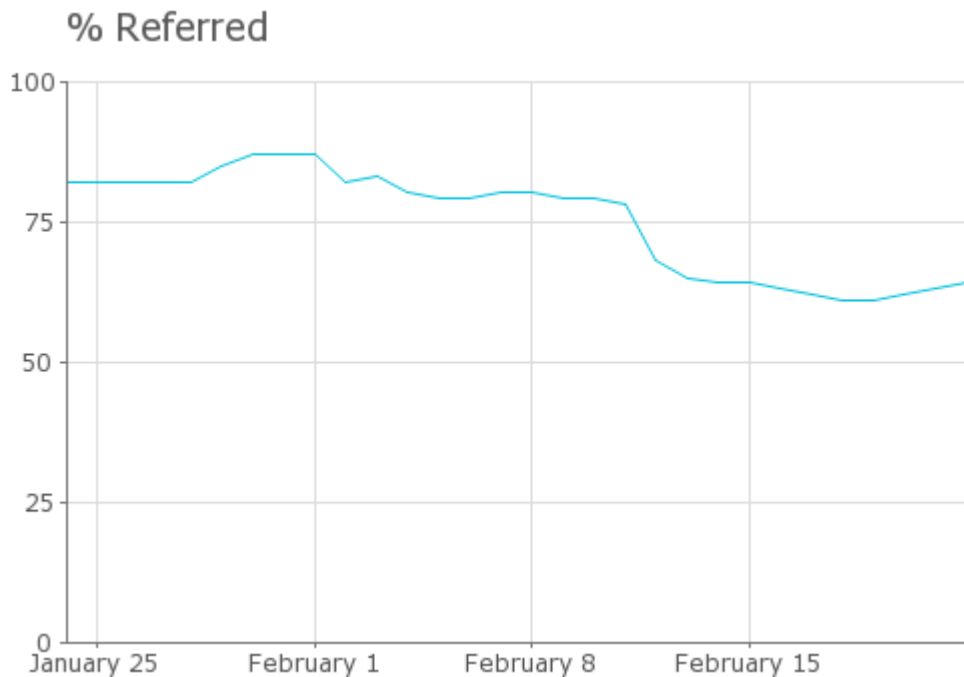


### 2.6.3. Avg $/Sale And Avg %/Sale

As said in the ClickBank FAQ:

Avg $/sale: This is the average amount that an affiliate earns for each sale of this product. This number takes into account refunds, chargebacks, and sales tax. Since vendors may offer products with different prices and commissions, the amount you earn on any given sale may not match this number exactly.

Avg %/sale: This number shows the average commission rate earned for all sales of a vendor's products. Since vendors can offer different commission rates for different types of products, this number may not exactly match the commission rate you earn on any given sale.

It is easier to sell cheaper products. Combining $/sale with %/sale, you can find inexpensive products with good affiliate payouts!

You can use CBGraph's [ClickBank Search tool](#) to find ClickBank products with at least $20/sale and at least 60%/sale at the same time:



Also notice that top ClickBank vendors have generous %/sale values (in most cases 75%/sale).

**How to interpret $/sale graphs?**

**A. If a vendor sells only one product and he doesn't change its price**

His $/sale graph gives you a clue to the refunds rate of the product:

- If the graph is represented by a straight (or almost straight) horizontal line, the rate of refunds of this product is low. You can promote such product without evident risk.
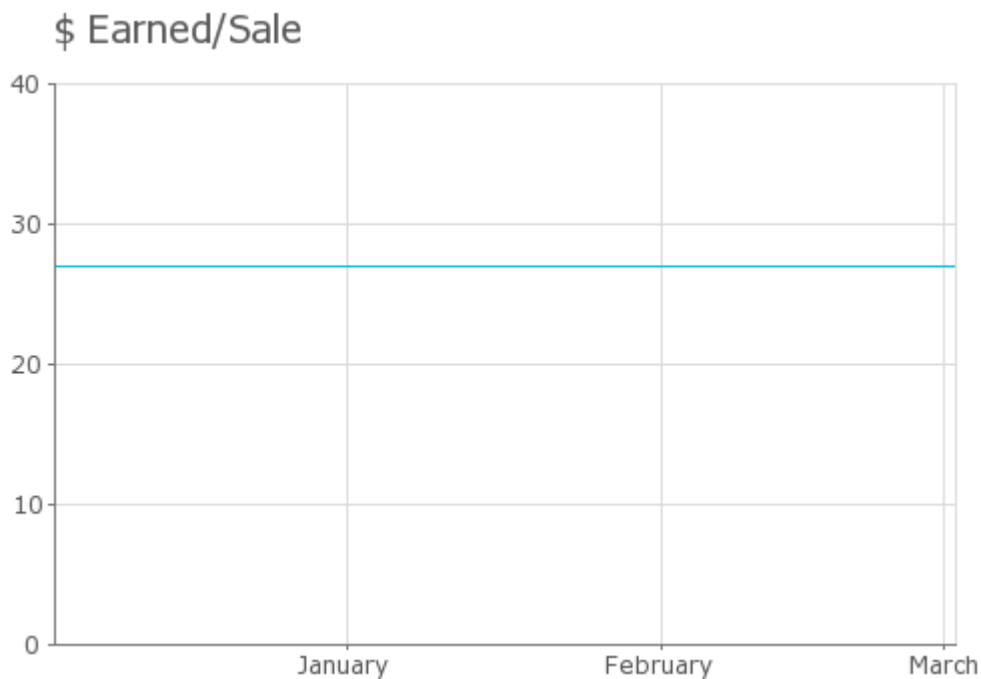
- But, if you see a jumping and prancing $/sale graph, you should not promote this product. Many customers are not satisfied with its quality and ask for a refund. You'd better choose another vendor.

$ Earned/Sale
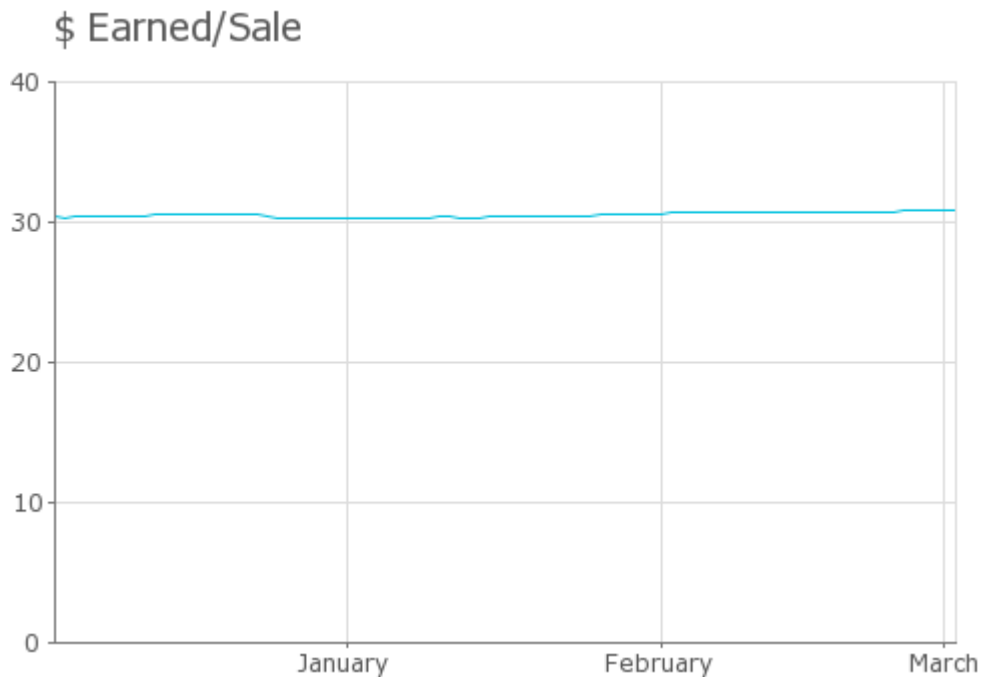


Sometimes there are gradual rises or falls on the $/sale graph of a vendor with one product. It is normal and it happens when such vendor changes his product price or the %/sale value.

There are a lot of **vendors who have many items but sell only their main item for a long period of time**. In this case the above considerations are acceptable.

**B. If a vendor sells many items (different products, one-time offers, discounts, etc.)**

In such case, the $/sale graph won't show you any information about refunds, BUT:
- It can suggest which item is in the biggest demand
- It shows the average revenue per sale received by affiliates promoting the vendor

Here is an example. On the website of OKRULIK a customer has 3 options:

| ITEM | Desctiption | | Real. $/sale |
|------|-------------|---|--------------|
| 1 | Magic Article Rewriter | | $21,24 |
| | PAYMENT: *One payment (US Dollar)* | $47,00 | |
| 2 | Magic Article Submitter | | $24,94 |
| | PAYMENT: *One payment (US Dollar)* | $55,00 | |
| 3 | Magic Article Submitter and Magic Article Rewriter | | $36,50 |
| | PAYMENT: *One payment (US Dollar)* | $80,00 | |

*It is a screenshot of OKRULIK's "Items + Refunds" report (from CBGraph) with estimated affiliate earnings.*

If we look at OKRULIK's $/sale graph, we can conclude that the 3rd item is being sold more often.



$ Earned/Sale
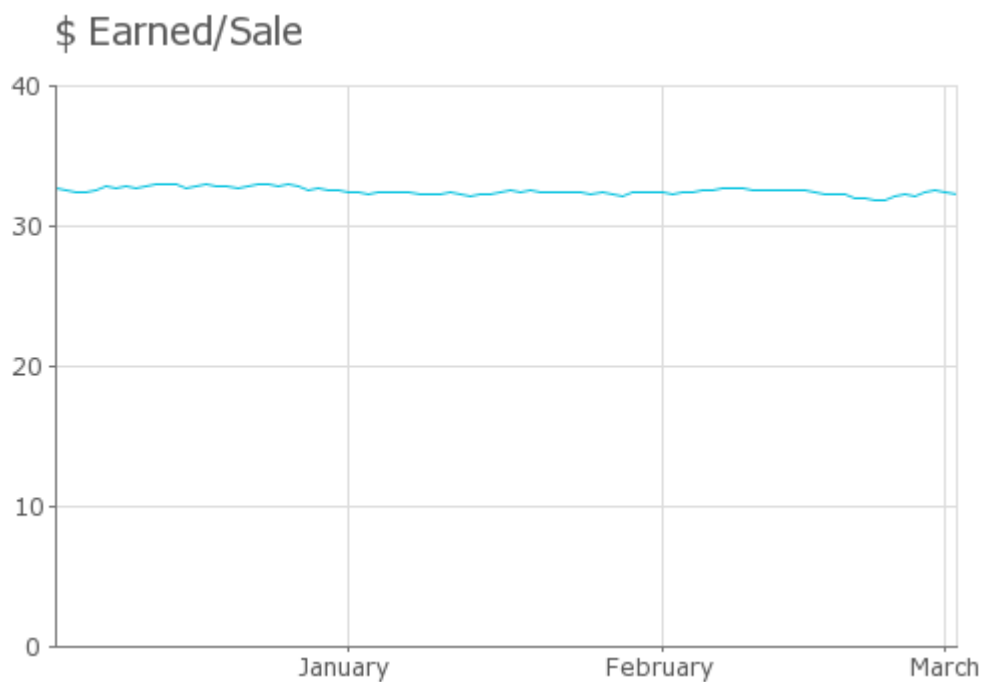
### 2.6.4. Future $ And Total $/Sale

These two numbers apply to recurring billing products (products that regularly bill customers over time, like membership sites).

**Future $** shows the average amount an affiliate makes on all of the rebilled sales. This number doesn't include the original sale amount.

**Total $/sale** shows the average total of the initial sale plus all rebills, divided by the number of initial sales. To put it simply, for every new purchase of this product, this amount is *the average you'd make in total over the life of the new customer*. However, this is just an average; this amount is not guaranteed.

In fact, Total $/sale applies to standard billing products too. In this case it is just equal to Avg $/sale.

## *2.7. Affiliate Instruments*

Many vendors provide a page with affiliate instruments.

How to find it?
1) often vendors specify it in their descriptions in the ClickBank Marketplace
2) or you can find a link to this page on the Vendor Spotlight
3) or you can look for a link like "Affiliates" on a vendor's website

On an affiliate page you can find additional information, articles, landing pages, images, audios, videos and more that will help you to promote a vendor's products.

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Also, you can ask: "Hey, if a vendor may have up to 500 different products, how can an affiliate send visitors to different sales pages?"

You need to add some additional parameters to the HopLink. Such details are precisely described on affiliate pages.

For example, a popular nowadays vendor PHONESRCH on the page with affiliate materials specifies the next links for 3 different products:
http://nickname.phonesrch.hop.clickbank.net/?pd=1
http://nickname.phonesrch.hop.clickbank.net/?ac=1
http://nickname.phonesrch.hop.clickbank.net/?efc=1

More than that, you can even customize a landing page where your visitors will be redirected.

As well as there are a lot of good materials you can use to improve your promotions.

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So, you should check a vendor's affiliate page before you promote his/her products.

## 2.8. Additional Information About ClickBank

I try to keep this book as simple to understand as possible. That's why I publish here only the most important things to know.

You can find many additional educational articles about ClickBank on:
- ClickBank Blog: www.clickbank.com/blog/
- ClickBank Help Center: www.clickbank.com/help/
- CBGraph Blog: www.cbgraph.com/blog/archives/

# Chapter 3. Getting Targeted Traffic With Google AdWords

In this chapter I want to show you how you can get your first sale in less than 24 hours. As you understand, it will require some cash on advertising costs. But if as a result you earn more on sales than you spend on advertising, you'll get a profit.

This chapter is filled with tips that will help you to minimize your risks and to maximize your profits.

## 3.1. What Google AdWords Is

I'm sure you've seen ads in Google results. They are placed on the top and on the right side of the results.



These ads are managed by Google AdWords system. AdWords supports different types of advertising, but in our purposes we will talk mainly about Pay Per Click (PPC) advertising for Google search network.

In this case advertisers are bidding on a specific keyword. Like "buy digital camera online".

When a visitor is typing that keyword, Google triggers all related ads (in the most appropriate to the visitor order).

Such visitor is surely willing to purchase a new camera.

And here is an interesting point. When this visitor clicks on any ad, its owner pays Google some money for that click (Cost Per Click – CPC). Owners of other ads don't pay any cent!!!

Just imagine how effective this kind of advertising is! Customers can find a solution to their needs. Advertisers can get highly targeted visitors.

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In *the easiest way*, you as a ClickBank affiliate can bid on keywords related to some ClickBank product. As a destination URL of your ad you may specify your ClickBank HopLink. That's it, you don't even have to have your own website. You may drive traffic directly to a vendor's sales page.

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**A notice before you create your AdWords account**

Before we go further, I'd like to inform you that if:
1) you didn't have an AdWords account before
2) you live in the USA or Canada

You can get **a $50 coupon to try Google AdWords** if you sign up for [HostGator](#) or [BlueHost](#) web hosting service.

After reading this book, you'll probably want to acquire a web hosting for your landing pages. Therefore, I would like to warn you about the possibility to receive a free AdWords coupon in an addition to your hosting.

1. Sign up for any shared hosting plan from [HostGator](#) or [BlueHost](#) (they both provide AdWords coupons to their clients, as well as they provide an excellent service and support). For HostGator you can use the promo code **CBGRAPH1CENT** (the first month on the "Baby Plan" for $0.01).
2. In your hosting Control Panel find the AdWords Offer.
3. Create a Google AdWords account by going through your hosting company's special link.
4. Follow the further instructions of your hosting company.

## 3.2. How Google AdWords Determines The Position Of Your Ad Among All The Other Ads

The fact is the ads on the top positions are clicked more often. As with the organic results, Google tends to show the user the most appropriate ads higher.

It is not about "Who pays more, gets higher position". No!

For a long time after launch, AdWords used to use a simple formula Keyword Bid x CTR.

Keyword Bid is the amount of money you are willing to pay when a visitor clicks on your ads that are shown for some keyword. CTR is a Click Through Rate of your ads that are triggered for that keyword. CTR means how many times people click on your ads out of 100 times they are shown.

The more often people click on your ads, the higher your ads are ranked and the less you pay.

For example, your competitor bids $1 for some specific keyword and his ads have 1.5% CTR for that keyword. Your ads have 3% CTR for that keyword.

In this case you need to pay only $0.51 ($0.50 + 1 cent) for your ads to appear over your competitor's ads.

Thus, for quite a long time you had only to improve your ads so that they receive a higher CTR. In this way your ads could be shown higher and you could pay less.

But nowadays Google has changed the rules of the game. Now AdWords uses the formula Keyword Bid x Quality Score.

The higher your Quality Score, the lower your costs and the better your ad position.

A keyword's Quality Score is an indicator, which takes into account many factors. The most important factors are:
1) CTR of Your Ads. This factor has the greatest impact on Quality Score. Therefore, you should constantly improve your ads to increase your CTR.
2) Your Account History and Structure. We will talk about how to structure your account later.
3) The Relevance Of The Keyword To Your Ad Text. It is important that keywords are included в your ads.

4) The Quality Of Your Landing Page. In a nutshell, your landing pages must be relevant to your keywords and they should be loaded quickly.

Google keeps the exact formula of Quality Score calculation a secret, and this formula is being constantly improved.

You will find the following video useful for better understanding of this topic: http://www.youtube.com/watch?v=K7l0a2PVhPQ

## 3.3. Creating A New AdWords Campaign

Let's assume you've created your Google AdWords account and you've found a ClickBank product you're willing to promote.

Here I would like to give you some tips on configuring a new campaign.

You should create a separate campaign for each ClickBank product you promote.

### 3.3.1. Locations And Languages

As a location, at the beginning, specify only United States. When you find your campaign is profitable with the US, you can gradually add Canada, United Kingdom and Australia.

Of course, you can add some other countries later, but you should understand that people from other countries might be not that wealthy and your conversion rates there won't be as high.

Also ensure that a product you're promoting is suitable for people outside the USA. For example, products from "People Search" niche will be unusable to them.

As a language you should choose only English unless you promote an ebook in other language.

### 3.3.2. Networks And Devices

It is really important. We will work only with Google search network. So, disable "Content network" here.

Also, at the beginning you should disable "Search partners". When your campaign gains a profit with "Google search" alone, you can test "Search partners".

What does it mean? "Google search" means that your ads will appear only on Google. "Search network" includes AOL, Ask.com, and many other search sites around the web.

As Devices you can choose "All available devices"

### 3.3.3. Bidding And Budget

Use "Manual bidding for clicks" and specify your daily budget. AdWords limits your daily spending, so you don't go broke.

In the "Position preference, delivery method" set:
- Position preference: Off
- Delivery method: Accelerated (Accelerated is needed at the beginning, for testing purposes)

### 3.3.4. Ad Extensions

You don't need to specify any address or phone number as Ad extensions

### 3.3.5. Advanced Settings

If you analyze the history of all your ClickBank sales, you will notice one very interesting pattern -- People are tending to buy in the daytime.

Why is this happening? This is most likely due to the fact that many people think, because their banks are closed at night, they will not be able to pay. Or they are afraid that if something goes wrong, they won't get any support.

Therefore, you can effectively reduce the cost of advertising by specifying your Ad schedule.

Ad scheduling for your campaigns is based on the time zone of your AdWords account. It is *not* based on the time zone of people who see your ads.

I recommend you to set 08:00AM - 08:00PM EST time period for each day in your Ad schedule. My studies don't prove a significant decrease in sales on

weekends. However, if you are on a tiny budget, you can remove them from your Ad schedule at the beginning and add them back later.

Furthermore, you might think that the period 08:00AM – 08:00 PM (EST) is too narrow, but in fact it is even too wide. In fact, you may even narrow this period. For example, you can create a separate campaign for keywords with very high search volume and specify much narrower time period for this new campaign.

The main tip here is to specify a time period equally distant from 02:00PM (EST). For example:
- 11:00 AM – 05:00 PM (EST) or
- 12:00 PM (Noon) – 04:00 PM (EST) or
- 12:30 PM – 03:30 PM (EST)
- etc.

If you are on a very low budget or you are testing new campaigns, you'd better create campaigns that work only in the most effective time periods. Let your ads to appear only 4 hours per day (12:00 PM (Noon) – 04:00 PM (EST)). There is a Russian proverb: "The slower you drive, the farther you'll be". ("More haste, less speed")

AdWords also offers a bid scheduling. If you notice that your ads get the best results in a certain period of time of a day, you can bid more for clicks during that period.


## 3.4. Creating Ad Groups

After you create a campaign, you will need to create the first ad group.

And here I would like to tell you what ad groups actually are and how to properly organize them.

In a nutshell, ad group is a connection of some keywords with some ads, which will appear when someone looks for these keywords. One and the same keyword can only be in one ad group.

You should put in one group only very closely related keywords. Or even create a separate group for each keyword.

This will allow you to write the most focused ads for each group.

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Here is a good abstract example. Assume that we sell computer parts.

We could create one big group with keywords "monitor", "printer", "keyboard", "mouse". But then we would have had to write for this group a particular ad, which could unite all these products.

But we could create separate groups for each product. Now for each group we have an opportunity to write more relevant and targeted ads about a specific product. For example, in the "monitors" group we would be able to write an ad about the sale of monitors.

Ads that are as close to the user's request as possible are much more in demand and therefore have a larger CTR. In our example, a person who looks for "monitor" in Google will more likely click on an ad that speaks "We Sell **Monitors**" rather than on an ad that speaks "We Sell All Computer Parts".

Moreover, we could create much detailed ad groups for each vendor and even for different models of their products.

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When inside of your group all keywords have a good CTR, the group considered to be qualitative. If all groups of a campaign will be of good quality, then the campaign will be qualitative. Google respects the advertisers who competently structurize their campaigns, and improve their Quality Score.

A good tip: If in any single keyword of your group has a low CTR, when at the same time other keywords in this group have good CTRs, you should move this keyword to a separate ad group and try to write more appropriate ad for it.


## 3.5. Finding Keywords

At this stage, we need to determine which keywords will trigger our ads.

It is important to understand that the human tendency to buy depends on the nature of the keyword.

Thus, a person who enters a query "weight loss buy a book" probably is set to buy the book. And a person who enters a query "weight loss free" probably is looking for free solutions.

These two examples are obvious. But there is one very exciting thing.

Each keyword has a certain psychographic component that determines the tendency of people to buy.

So people who look for "weight loss system" may in fact be 3 times better customers than those who look for "weight loss solution" or vice versa. (Here "3 times" is just for example, it is not the actual statistics.)

A conversion rate is an indicator of how many people out of 100 commit some action (in our case – a purchase).

You should find keywords with high conversion rates -- Those keywords that lead to sales. And on the other hand, you should eliminate unprofitable keywords that lead only to few sales (costs of these keywords are usually higher than your commission).

A very big mistake of novice advertisers is to use a lot of keywords. More than that, they don't track which keywords lead to sales. In this way, they very quickly burn their money.

You should start with a few of the most reliable in your opinion keywords and always measure conversion rates of each keyword. After some time you delete keywords that suck your money, and find keywords that give you profit.

AdWords gives you an opportunity to specify different destination URLs for each keyword.

If you send traffic through your ClickBank HopLink, you can apply different tracking IDs.

If you prefer to use landing pages, the easiest way to track conversion rates of keywords is to create a distinct landing page for each keyword. And of course, on each landing page you will use different tracking IDs. Not only it will help you to determine conversion rates of keywords, but also it will improve the relevancy of your ads. More on landing pages later.

## 3.5.1. AdWords Keyword Tool

How many people do search for some keyword per month? How to find related keywords?

Google provides a great Keyword Tool:

| Keywords | Estimated Ad Position ? | Estimated Avg. CPC ? | Advertiser Competition ? | Local Search Volume: February ? | Global Monthly Search Volume ? | Search Volume Trends (Mar 2009 - Feb 2010) ? | Highest Volume Occurred In | Match Type: ? Exact |
|---|---|---|---|---|---|---|---|---|
| Keywords related to term(s) entered - sort by relevance ? | | | | | | | | |
| [farmville] | 4 - 6 | $0.11 | | 1,500,000 | 2,740,000 | | Dec | Add Exact ⩘ |
| [farmville game] | 1 - 3 | $0.05 | | Not enough data | 74,000 | No data | No data | Add Exact ⩘ |
| [farmville herald] | 1 - 3 | $0.05 | | Not enough data | 2,900 | No data | No data | Add Exact ⩘ |

This tool can show you keywords' monthly search volume, search volume trends, a level of competition among advertisers, the estimated cost per click (CPC) and the estimated ad position.

With it you can find keywords related to another keyword(s) or you can find keywords related to some website.

Be aware that monthly search volume includes searches all over the Google search network. If you want to estimate the monthly search volume on Google alone you can divide this value by 3. Nevertheless, the most accurate value of the search volume you can find only by running your AdWords campaign.

Don't panic when you see a huge CPC, often you will have to pay a lot less.


## 3.5.2. Keyword Matching Options

When you add keywords to your ad groups, you can use 4 different matching options:

- **Broad match:** keyword

Allows your ads to show for searches on similar phrases and relevant variations.
For example, if you bid on: bill killer, your ads may appear for queries "Bill", "killer", "Kill Bill movie review", etc.
Never use this matching option! It is too confusing.

- **Phrase match:** "keyword"

Allows your ads to show for searches that match the exact phrase.
For example, if you bid on: "weight loss tips", your ads may appear for queries "weight loss tips", "free weight loss tips", "weight loss tips for bodybuilders". In this example your ads won't appear for queries "weight loss tip" or "tips on weight loss".
If you use this matching option, you also need to specify negative keywords to reduce unwanted visitors.

- **Exact match:** [keyword]

Allows your ads to show for searches that match the exact phrase exclusively. By using this option, you'll be sure you're getting traffic from your exact keyword and you don't need to make additional tunings.

- **Negative match:** -keyword

Ensures your ads don't show for any search that includes that term.
You have to apply negative keywords if you use phrase matching (or broad matching) keywords.
Some commonly useful negative keywords are: -free, -torrent, -rapidshare, etc.

### 3.5.3. Brand Keywords

I'd like to highlight one category of keywords especially. This is brand keywords. When gravity of some ClickBank product passes over "20", you can bid on "product's name" and [product's name]. These products are so popular that people are searching for them by name, hoping to find reviews and other details.

Such approach has the next logic:
- Although brand keywords have low search volume, they have an enormous conversion rate (sometimes 1 in 10 and even more!)
- You pretend to get extremely targeted visitors
- You can begin to promote great ClickBank products until they become popular (your PPC campaigns will have advantages over new raw campaigns of your competitors)

You can create a landing page with your honest review of the product and add some bonuses to people who buy through your HopLink. You should try the product yourself before you promote it.

## 3.6. Writing Your Ads

At this point, you realize that ads should be written so that they have a high CTR.

Your ad must echo what a customer is looking for. It should continue the dialogue in the customer's mind.

The more targeted your ad is to what your customer is looking for the better it will perform.

### 3.6.1. Ads Writing Formulas

An AdWords ad consists of:
- title (25 chars max.)
- 2 lines of ad text (35 chars each max.)
- visible URL (35 chars max.)
- destination URL (won't be shown, 1024 chars max.)

You may write any kind of ad you like, but there are 2 constructions that are historically proven to work well.

1) Title with the major keyword of an ad group in it
Line1: A special offer or your unique selling point (USP).
Line2: A call-to-action.

Examples:

**Learn to Play Violin**
Learn to play violin in 30 days!
Master the Violin, quickly and Now

**8 Magapixel Cameras**
10% off Digital Cameras.
Free Delivery. Buy Today!

2) Title with the major keyword of an ad group in it
Line1: A benefit – your assumption about what people want to find.
Line2: Features.

Examples:

**Creating A Cover Letter**
Create A Killer Cover Letter
In Less Than 4 Minutes!

**Internet Eraser**
Erase Your Internet History Files.
30-Day Trial. Works In Any Browser.

### 3.6.2. 11 Tips On How To Improve Your Ads

1) You should include keywords in your ads, especially in the title. In this case they would be bold.

2) Capitalization of some (Or All) Words In Your Ad Usually Causes A Higher CTR.

3) Use numbers in your ad, they attract attention.

4) If you use landing pages, you can apply your keyword in the visible URL. Make sure that your landing page is accessible by this URL.

5) Add the unique selling point to your ad. What makes your offer stand out from others? Be sure to describe any unique features of the product you promote.

6) Try to use a magical word "Imagine" + the most desired benefit.

7) Use active voice in your ads, never use passive voice.

8) Try to avoid negative words like "No", "Don't", "Didn't", "Won't", "Never", "Nobody", etc.

9) Use a strong call-to-action like Buy, Purchase, Order, Sign Up. Also add timing: Now, Right Now, Today and so on. By clicking on ads with such words, a person realizes that he/she would be asked to buy and is ready to evaluate the proposal.

10) Include a product's price in the ad text. In this way you'll get people who can pay the specified price and you'll reduce clicks of people who won't pay.

11) Keep your ads simple and attractive.

### 3.6.3. Split-Testing Your Ads

When you create a new ad group, you should write at least 2 ads. Also it is important to enable the even ad rotation in the campaign settings (Ad rotation: Rotate).



Initially, you can try a few ideas for your ad. Write at least 2 ads. At this stage, your ads may differ significantly.

When each ad has at least 30 clicks, you may determine the winning ad. Just look on CTR of both ads. The ad with higher CTR is the winner.

Now you should edit the losing ad. You can completely rewrite it, trying another idea. Or (what is recommended) you can start to improve the idea used in the winning ad:

1) replace the losing ad completely with the winner
2) make one single tiny change in it:
- capitalize (all/some) words **or**
- change some word to its synonym (use Google Dictionary to brainstorm synonyms) **or**
- change the visible URL (add-remove "www", www.CapitalizeWords.com, etc.) **or**
- replace lines of the ad text **or**
- rewrite some part of the ad **or**
- etc., etc., etc. (even a small change of the ad may cause a huge improvement of its CTR)
3) wait until the new ad gains 30 clicks, compare CTRs, improve the losing ad
4) always repeat this process

What if the ads have not yet received 30 clicks, but one ad already has a much higher CTR?

You can use Brian Teasley's and Perry Marshall's free tool:
http://SplitTester.com/

It takes the number of clicks on your ads and the current CTR of both ads. This tool determines the statistical significance of your data and tells you whether you are confident that the ads will have different long term response rates. If yes, you can be sure that the currently winning ad is better than another one.

| Enter Your Numbers Here: | | | |
|---|---|---|---|
| Number of Clicks (First Ad) | 20 | Number of Clicks (Second Ad) | 12 |
| CTR (First Ad, in %) * | 5 | CTR (Second Ad, in %) * | 1.5 |
| * Your CTR must be entered as a simple percentage. For example, enter 3.1% as "3.1", and not "0.031"; Enter 0.7% as "0.7" | | | |
| | Calculate | Reset | |

## RESULTS
**How confident are you? :**
You are **approximately 99%** confident that the ads will have different long term response rates.

## *3.7. Where To Send Traffic*

### 3.7.1. Direct Linking

As a destination URL of your ad you may specify your ClickBank HopLink or a link to your landing page.

In the first case people who click your ad will be redirected directly to a vendor's website. It is called Direct Linking. And there is nothing too bad with this case. Google accepts ClickBank HopLinks as destination URLs.

However, you should understand some restrictions of the use of Direct Linking when promoting ClickBank products.

For some keyword Google won't show 2 ads that lead to the same domain name. A domain name is the name of a person's or organization's website on the Internet, for example "google.com".

If two affiliates bid on the same keyword, promoting the same vendor through their HopLinks, Google will show only an ad of one of them. Google will decide on its own whose ad is more relevant to searchers.

But you still can set your CPC too high and win the auction. However, it is not wise. By participating in "bidding wars", you can lose a lot of money.

Vendors' sales pages are often not optimized for the keywords on which you want to bid on. Therefore, AdWords will consider them irrelevant and lower your Quality Score. It's more efficient to create a separate landing page, optimized for a specific keyword.

It often happens that the sites of popular vendors have a poor quality in the Google statistics. This is due to the fact that a lot of inexperienced affiliates tried to promote them and didn't receive good results -- they literally closed their campaigns after a few days of advertising. Most beginning affiliates don't know subtleties of working with AdWords and this why a lot of their campaigns turn out to be unsuccessful from Google's point of view.

Eventually Google believes that the content of a vendor's site is not relevant and has no value to searchers. In this case, Google just bans sites of popular vendors and sets unrealistic minimal CPCs to promote them.

Nevertheless, there are still many opportunities to use Direct Linking campaigns to promote ClickBank products. You still can successfully promote many ClickBank products in this way.

## 3.7.2. Landing Pages

Your landing page is a specially written page on your web site.

Here are three main advantages of using landing page instead of direct linking:
1) you are not dependent on direct linking ads of other affiliates
2) you can optimize your page for greater relevance
3) you can make your landing page presell and thereby increase your sales

### 3.7.2.1. Technical Stuff Behind Landing Pages

**What is a domain name and web hosting?**

Well, you need to have a web site. Your web site must have a name, so people can find it. This name is called a domain name ("google.com", "yahoo.com", "yourdomain.com", etc.).

You should register your domain name yourself. As a domain name registrar I highly recommend you NameCheap. This leading registrar has low prices and provides a very reliable service.

Also NameCheap offers an inexpensive WhoisGuard that allows you to keep your information (like your name, email address, phone number) private.

Then, your web site must be hosted somewhere in the Internet. When you look for web hosting company it must provide you a reliable service for affordable price and the most important factor is that the company must have an excellent 24/7 support.

I definitely recommend you to register your web hosting from HostGator or BlueHost. These two companies provide outstanding service and support.

At the moment of this writing, the minimal billing cycle of BlueHost is 12 months. HostGator is a little bit more expensive but it accepts monthly payments. By the way, for HostGator you can use the promo code CBGRAPH1CENT (the first month on the "Baby Plan" for $0.01).

As I've mentioned earlier you can get a free $50 AdWords coupon by registering a shared hosting account from any of these two companies.

When you create your web hosting account, you will be asked to configure DNS for your domain name. Your hosting company will notify you about their nameservers (like ns1.hostgator.com, ns2.hostgator.com, etc.). Here is a quick tutorial on how to tune DNS of your domain name in your NameCheap account: http://www.namecheap.com/resources/help/demo/custom_namecheap_dns.htm

In about 24-72 hours you'll be able to access your web site by typing your domain name in your browser.

**What do you have to know to create landing pages?**

The only technical skill you should understand here is an HTML -- a very easy language for describing web pages. Here is a good tutorial that will teach you everything about HTML:
http://www.w3schools.com/html/

It will take only 2-3 days to study this tutorial. You don't need to go further and learn XHTML, Web Servers, PHP, ASP, etc. However, it will be helpful to study a little CSS and JavaScript.

In fact, you don't even have to know HTML because you can use visual editors like Microsoft Word, Adobe Dreamweaver, CoffeeCup Visual Site Designer and others.

Furthermore, you can use WordPress -- a constructor of blogs. In WordPress you can create distinct pages as your landing pages. You can change "look & feel" of your landing pages by installing themes. There are a lot of good looking themes for WordPress and many of them are free.

Nowadays many web hosting companies provide automatic WordPress installation in their Control Panels. But it is pretty easy to download WordPress, read how to install it and do it yourself.

### 3.7.2.2. The Main Purpose And Types Of Landing Pages

What makes a customer buy? His/her **desire** to find a solution to his/her problem.

What prevents a customer from buying? His/her **fear** that this will not help him/her.

There is always the balance between **"desire-fear"** in a customer's head. The customer tries to find out pros and cons, proofs of efficacy, reviews (good and bad) of a product he/she wants to buy.

The main purpose of a landing page is to convince a customer to buy by increasing his/her desire and decreasing his/her fear of fail. And your main task is to write such landing pages.

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What can you do?

The easiest way is to buy a product you want to promote, study it and write an honest review for it. You should experience a process of purchase even if its vendor can give you the product for free. Just buy it… this helps you to find yourself in a customer's mood.

Ensure the product is actually valuable and can solve a customer's problem. If it is a low-quality product, just leave it and find another product.

Then, keeping in mind the "desire-fear" principle, try to write an honest review of the product. You should write not only its advantages but also some insignificant disadvantages. Write it from the perspective of an owner of the product, what benefits this product gave you, what its features do you like the most.

What enlarges a conversion rate of a review landing page is your photo and real name. Don't be shy. You know the product is great and can help people, so there is no reason to hide your persona.

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Another great type of landing page is a description of some method or how-to tutorial. Here you don't try to pitch your visitors. You just educate them how to do something. And in fact, you can place your affiliate links to some useful tools and books that will help your readers. You can place some links to free resources as well.

By educating people you build trust and they buy products you recommend. It is a good preselling tactic.

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Another way to increase a customer's desire to buy is to give them some additional valuable bonuses that are relative to the product you promote. You can write your own report, record some audio or make a video with some tips.

Also you can find a lot of free ebooks that are in the public domain and you can redistribute them for free without any permission. Type in Google the query "free ebooks" and you'll find dozens of websites with free ebooks in the public domain. But before you propose such bonuses to your visitors, ensure that they are not copywrited.

On your landing page you should describe all your bonuses in details (an image of the cover page, the title and 5-10 lines on what the bonus is about and how it can benefit your visitors).

Then, on your landing page you can write your email address and tell your visitors that you will send them their bonuses in 24 hours after they send you the ClickBank Receipt # of their purchase. When you receive some receipt#, you should check whether your account has such transaction and send the bonuses to its owner (as a zip-archive or as a link to your bonuses page).

If you want to send bonuses automatically you can use ClickBank Bonus Domination.

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Yet another great type of landing page is a comparison between at least 3 similar affiliate products. You will earn a commission, no matter which product your customer will choose.

You should:
- test all products yourself
- define their advantages and disadvantages
- consider for whom and for what purposes each product is suitable
- arrange points (stars)
- and explain your decision.

Be sure to choose the winning product.

### 3.7.2.3. Tips On Optimization Of Your Landing Pages

1) As I said before, you should create a separate landing page for each of your keywords. In this way, you can optimize each landing page for a particular keyword. For each landing page, this will increase its relevance to its keyword and thus improve your Quality Score for that keyword.

On a landing page try to use your keyword in the title, headers, the first sentence of the first paragraph, in the last paragraph, 3-4 times in the text, in the "alt" property of your images and, if possible, in the text of your affiliate links.

When you're writing a content of your landing page, remember that you're writing it for a person who has just looked for the particular keyword in Google and clicked your ad. So, you know what is in the head of that visitor. Use this power wisely.

2) When you write content for your landing pages, you should understand who your visitors are.

Find information about a vendor's website (or other big websites from the niche) with [Quantcast.com](Quantcast.com) and [Alexa.com](Alexa.com). These instruments can provide you a demographic insight into whom the website attracts more (males or females? young, middle-aged or old people? a less or more affluent audience? with or without college education? information about the age of kids, relative interests, etc.).

On other hand you should also think about psychographic picture of your visitors. What are their desires, dreams, goals, ambitions, hopes, fears, worries, doubts, skepticism, past experience, burned fingers, etc.?

You'll be able to connect much deeper with your readers when you realize who they are.

3) You should also understand demographics and psychographics of your visitors when you apply look & feel to your landing pages (color palettes, fonts, images, decorative elements, layout, etc.).

Should you make your landing page in the conservative style or add some cool gradient elements? Should it be a professional looking page or a very simplified non-professional page? Should you make your landing page in pink or blue tones?

By the way, if you feel upset about designing your pages, you can use one of thousands WordPress themes.

4) You should make your affiliate links noticeable.

If it is an image-link, make it clear that it is a link and not only some image (write appropriate text on it, make it as a button).

The best color for text-links is blue (#0000FF) on a white background (#FFFFFF).

5) Add some proof to your landing pages. Publish your own results after using a product (your photos, screenshots, videos, etc.). When it is obvious that the product has helped you, people will tend to buy.

6) You should keep your landing pages as clear as possible. There should not be any distractions. Your main goal is to convince a visitor to go to the vendor's website.

7) When you promise something in your AdWords ads, always keep your promises on your landing pages.

8) One special tip for WordPress users:

When calculating Quality Score, AdWords takes into account the loading speed of your landing page. The longer the waiting time, the lower will be your Quality Score and you will have to pay more.

WordPress has many features and advantages, but its biggest disadvantage is that it forms a page too long (0.5 - 1 seconds on average).

You can significantly accelerate the loading time of your WordPress pages with the plugin WP Super Cache.

Whenever you need to specify a URL of any of your landing pages in AdWords settings (when you're creating a new ad group, modifying an existing ad, etc.), just before you type this URL, you should open the landing page in a browser where you're not logged in to your blog.

This will make WP Super Cache create a cache of that page. So when AdWords bot comes to check your page, it will get a cached version of it very quickly.

## 3.7.2.4. You Should Always Test And Improve Your Landing Pages

Let's say you've created the first version of your landing page. You've send traffic from Google AdWords to it. After 150-200 ad clicks, you have to realize whether

the page is profitable (your affiliate commission is more than your advertising costs; or you guess you can decrease your CPC to achieve that state) or not.

If after the initial test your landing page failed, you should refuse using it. If you've got satisfying results you should start to improve it.

There are 2 ways of improving your landing pages:
   a) you should aim to increase CTR of your affiliate links;
   b) you should aim to increase a conversion rate of people who clicked your affiliate link into buyers

You can measure CTR of your affiliate links by using goals in Google Analytics. When you know CTR of the links on the initial landing page, you can start to make some changes to this page:
   - change the landing page's title;
   - modify some parts of the landing page;
   - change the whole text of the landing page;
   - replace images;
   - modify the call-to-action;
   - change the color palette or layout;
   - etc.

Then you measure new CTR of this landing page. If it is higher, you no longer use the old page. If it is lower, you restore the old page. Then you need to beat the current winner by improving it further.

You should always repeat this process and as a result you'll get a landing page with an extremely high CTR.

In fact, you can even automate this process with Google Website Optimizer.

For the second part (a conversion rate of clickers into buyers) you need to use different ClickBank tracking IDs for each version of your landing pages. In this way, you'll be able to find their conversion rates inside of your ClickBank account's analytics.

So, your goal is to always increase CTR x Conversion Rate of your landing pages.

## 3.8. How Much You Should Pay Per Click

To answer this question you need to answer this one: How much *can* you pay per click?

Let's say your affiliate commission is $30.

When you start promoting a product, you don't know what its conversion rate will be... And a conversion rate will be different for various keywords. Let's simplify our example and use only 1 keyword.

As a rule of thumb, you should not use keywords that produce a conversion rate less than 1%. You'd better find more targeted keywords or promote another product.

So, let's assume CR for the chosen product and keyword to be 1%. It means that 1 out of 100 people who click your ads will buy the product. If CR will be higher later, we will recalculate our numbers.

One more thing we have to estimate is our profitability. Let's say we want to earn 2 times more money than we spend.

Then, let's apply the formula:

$$CPC = \frac{Comm. * CR}{T * 100\%}$$

CPC = ($30 * 1%) / (2 * 100%) = $0.15

When you have the actual CR, you can adjust the CPC.

You should not bid higher than the estimated CPC if you want to obtain planned profitability.

The only time when you can bid even 5 times more than your estimated CPC is at the beginning of your new campaigns. We will talk about effective entrance strategies in Chapter 4.

## 3.9. Places Where You Can Find More Information About Google AdWords

I recommend you to pay attention to these sources of information on AdWords:

Free Online Webinars: http://www.google.com/intl/en/adwords/webinars/
AdWords Help: http://adwords.google.com/support
Official Google AdWords Blog: http://adwords.blogspot.com/
Google Business Brand Channel:
http://www.youtube.com/user/GoogleBusiness#p/u

# Chapter 4. Spying On Competitors To Find Profitable PPC Campaigns

## 4.1. An Introduction To PPC Spy Tools

Well, being a PPC advertiser is a pretty tricky job. And, in fact, if you are not very lucky, you can spend too much money before you find those campaigns that generate you a satisfying income.

Here is how an average PPC affiliate works:
*(For simplicity, let's say he (/she) builds a direct linking campaign for a ClickBank product)*

1. The affiliate finds a ClickBank product he wants to promote.
2. He researches keywords related to the product, groups them and write initial ads.
3. Then he starts his campaign.
4. As described in Chapter 3, this affiliate is always split-testing his ads and tries to improve them.
5. After a while and some money invested, he determines those keywords that lead to sales. He then removes inefficient keywords. However, till this moment he could have spent thousands of dollars on improper keywords...
6. From now on he has a set of keywords that work and ads with high CTR. His campaign brings him profits and pretty soon he will return all invested money.

If you have much money, this is the way to go.

But there is a more intelligent way.

Imagine you've just looked in Google for "piano". There are some ads. All you need to do is to save the Google results page.

Then you need to come back tomorrow and look for "piano" again. And again you need to save the Google results page.

Then you have to repeat this process on a daily basis for at least 3 months.

After 3 months you need to analyze ads in the results. There might be an ad that was shown almost every day during these 3 months.

And you know what? The advertiser who has placed this ad is definitely making money by using this ad.

The keyword "piano" has about 368'000 monthly searches only in the US. During these 3 months this advertiser's ad could be *shown* 368'000 * 3 = 1'104'000 times.

Let's say his CTR was 1.5% (in fact, it could be higher). So the ad was *clicked* 1'104'000 * 1.5% / 100% = 16'560 times.

And let' guess he paid only $0.05 (the minimal possible bid in AdWords; it could be much higher) per click. It means he paid 16'560 * $0.05 = $828.

Who wants to pay $828 for nothing? Of course this advertiser has possibly earned at least $1'500. Or, $15'000...

What does it mean to you?

You can analyze the proposition of this advertiser and create something similar on your own. Then you can bid on the keyword "piano" and use the almost same ad in AdWords. As a result, with high possibility you'll have a successful campaign.

It leads us to the concept of PPC Spy tools. What is a PPC Spy?

A PPC Spy is an application that has a database of keywords and its robots automatically look for those keywords in Google (or other search engines) on a regular basis. While doing it, they store and analyze found ads.

Then users of PPC spies can find out frequently found ads and profitable keywords.


## 4.2. A PPC Spy For ClickBank Affiliates

There are many PPC Spies nowadays. Annual subscription to such service is at least $1'000 a year. These tools have huge databases with millions of keywords and they track every ad from Google results.

But, in fact, many users of PPC Spies need to find only profitable campaigns for ClickBank products.

I've created a PPC Spy for ClickBank affiliates. It is a part of CBGraph tool. And at the moment of writing this book, it is **free**. I don't want you to think it will be

free forever. However, I'm not planning to make it a pay service in the nearest future.

I've made it free to help those people who have just a couple hundred dollars to start a successful ClickBank business and experience a more fulfilled life.

But, as it is free, you need to understand its main limitation (however, at the same time, it transforms into its advantage) -- It doesn't track millions of keywords. At the moment of this writing, it has only 138'838 keywords in its database.

But…

1) These 138'838 keywords were chosen from over 2 million keywords. The main selection criterion was a search volume. In March, 2009, when I looked for these keywords, all of them had at least 2'900 searches per month (with [exact match type]).

As a ClickBank affiliate you want to drive as much traffic as possible in a short period of time. You don't want to waste your time on keywords that bring you 0-3 visitors a day…

And, in fact, a keyword that has a low search volume is not reliable. If someone's ad is shown for a year for such keyword you can't say it is profitable... You need credible ads that are clicked regularly, so you can say their owner spends a lot of money on them.

So, it is important that you follow keywords with high search volume. In other case, the concept of PPC Spies doesn't have any evidence.

2) CBGraph's 138'838 keywords are competitive. On average, they have more than 4 ads for a keyword.

There is no sense in monitoring keywords that don't have any ad...

3) CBGraph PPC Spy looks for each keyword on a daily basis.

4) It has already more than 1-year data.

5) My PPC Spy tracks only those ads that have a ClickBank hoplink as a destination URL.

Every ad you see in the spy's results is ClickBank oriented. You don't sink in a bunch of irrelevant to you ads.

6) It decodes HopLinks encoded with ClickBank HopLink Shield.

7) It has a simplified functionality: everything you need and nothing more.

8) You can filter AdWords campaigns by many useful filters such as: an affiliate's ID; a vendor's info (ID, gravity, $/sale, category, product type), days seen, first/last seen, maximal search volume, CPC, etc.

So, as you can see it can be a gem for your collection of affiliate tools.

## 4.3. CBGraph PPC Spy's Interface

### 4.3.1. Finding PPC Campaigns

The starting point of your research is the "Find PPC Campaigns" page.

A campaign includes all keywords used by some affiliate to promote some vendor's products.

On the "Find PPC Campaigns" page you can see statistics of all campaigns.

| Details | Score | Days Seen | Last Seen First Seen | Max. Search Vol. | Max. CPC | Vendor's Stats |
|---------|-------|-----------|----------------------|------------------|----------|----------------|
| perrocheau → guitarmas | 406 | 406/406 days | 2010-05-04 2009-03-23 | 6,600/mo | $1.56 | grav: 5.50 earn: $19.29 (70%) |
| contro71 → winclear | 406 | 406/406 days | 2010-05-04 2009-03-23 | 33,100/mo | $3.36 | grav: 21.22 earn: $18.10 (65%) |
| bottom → bigdeals | 406 | 406/406 days | 2010-05-04 2009-03-23 | 18,100/mo | $1.30 | |
| bizgrowth → amazresume | 404 | 405/406 days | 2010-05-04 2009-03-23 | 49,500/mo | $0.82 | grav: 23.81 earn: $19.03 (50%) |
| cmainfo5 → savmarriag | 402 | 404/406 days | 2010-05-04 2009-03-23 | 18,100/mo | $2.04 | grav: 46.90 earn: $27.25 (60%) future: $0.00 total/sale: $27.25 |

For each campaign you are provided with the next data:
- Affiliate: The ClickBank ID of the affiliate who promotes the vendor's products
- Vendor: The ClickBank ID of the vendor whose products are being promoted
- Score: The profitability of this campaign

- Days Seen: The number of days the campaign's ads were seen in Google results out of the number of days since the first ad of the campaign was discovered
- Last/First Seen: The dates when the campaign's ads were first and last seen by CBGraph in Google results
- Active/All keywords: The number of active keywords out of the number of all keywords used in the campaign
- Max. Search Vol.: The maximal search volume among all active keywords used in the campaign
- Max. CPC: The maximal Cost per Click (CPC) among all active keywords used in the campaign
- Vendor's Stats: The vendor's stats taken from the ClickBank Marketplace (such as gravity, avg. $/sale, etc.)

A keyword is active when any of the campaign's ads has been seen for the past 14 days for this keyword.

Score is an extrapolation computed by CBGraph to estimate how effective this campaign is, based on the frequency of its ads appearance in Google results.

Score is computed as follows:
Score = (Days Seen*Percentage Seen)/Number of Days Seen since Last Seen

Example: Ads belonging to this campaign were seen 30 days out of 40; the last time any ad of this campaign was seen was 2 days ago

Number of Days Seen: 30
Percentage Seen: 30/40=75%
Number of Days since Last Seen: 2 Days

Score = (30*75%)/2 = 11.25

Note: This formula has been developed by [KeywordSpy](#) (ROI)

On this page all campaigns are ordered by their scores.


## 4.3.2. Filtering PPC Campaigns

There are tens of thousands campaigns. You can narrow them by specifying some filters.

1) By specifying ClickBank ID of some affiliate, you can find campaigns of this affiliate.

**Affiliate Info**

ClickBank ID: _____

2) You can specify some vendor's ClickBank ID to find campaigns of all affiliates who promote this vendor.

You can set a vendor's category, product type, gravity, $/sale, etc. to find campaigns with such vendors.

**Vendor Info**

| | | |
|---|---|---|
| ClickBank ID: | _____ | |
| Category: | All Categories | Subcat: All Sub-Categories |
| Product Type: | All Products | |
| Gravity: | At least _____ | At most _____ |
| $ Earned/Sale: | At least _____ | At most _____ |
| % Earned/Sale: | At least _____ | At most _____ |
| Future $: | At least _____ | At most _____ |
| Total $/sale: | At least _____ | At most _____ |
| % Referred: | At least _____ | At most _____ |

3) As well, you can define a campaign's properties: its score, when it was first/last seen, how many days it has been seen, maximal search volume and maximal CPC among active keywords of the campaign.

**Campaign Info**

| | | | |
|---|---|---|---|
| Score: | At least _____ | At most _____ | |
| First Seen: | Since _____ | Till _____ | Format: YYYY-MM-DD |
| Last Seen: | Since _____ | Till _____ | Format: YYYY-MM-DD |
| Days Seen: | At least _____ | At most _____ | |
| Max. Volume (active keywords): | At least _____ | At most _____ | |
| Max. CPC (active keywords): | At least _____ | At most _____ | |

4) And there are some very useful filters related to campaigns' active keywords. By using these filters you can find only those campaigns that have at least one active keyword with specified properties.

**Found campaigns must have at least one active keyword with:**

| | | |
|---|---|---|
| Volume: | At least [  ] | At most [  ] |
| CPC: | At least [  ] | At most [  ] |
| A number of ads (in Google results): | At least [  ] | At most [  ] |
| A number of results (in Google results): | At least [  ] | At most [  ] |
| Score: | At least [  ] | At most [  ] |
| First Seen: | Since [  ] | Till [  ]  Format: YYYY-MM-DD |
| Last Seen: | Since [  ] | Till [  ]  Format: YYYY-MM-DD |
| Days Seen: | At least [  ] | At most [  ] |
| Last Position: | At least [  ] | At most [  ] |
| Avg. Position: | At least [  ] | At most [  ] |

## 4.3.3. Exploring Keywords Of Some Campaign

If you click on a link "affiliate -> vendor" in the Details column of any campaign, you will navigate to this campaign's keywords.

| Keyword | Score | | Days Seen | Last Seen / First Seen | Search Vol. | CPC | Results | Position |
|---|---|---|---|---|---|---|---|---|
| violin lessons | ▉ | 388 | 396/404 days | 2010-05-04 2009-03-25 | 6,600/mo | $1.56 | 2,500,000 | Last: 2 Avg: 3.2 |
| how to play violin | ▉ | 382 | 394/406 days | 2010-05-04 2009-03-23 | 3,600/mo | $0.72 | 11,100,000 | Last: 1 Avg: 2.3 |
| learn to play the violin | ▉ | 319 | 360/406 days | 2010-05-04 2009-03-23 | 4,400/mo | $1.16 | 3,060,000 | Last: 3 Avg: 3.0 |
| how to play the violin | ▉ | 212 | 293/405 days | 2010-05-04 2009-03-24 | 3,600/mo | $0.74 | 11,100,000 | Last: 2 Avg: 2.6 |
| violin lesson | ▉ | 72 | 171/406 days | 2010-05-04 2009-03-23 | 2,900/mo | $1.03 | 366,000 | Last: 3 Avg: 5.3 |
| free drum lessons | ☐ | 0 | 2/258 days | 2009-12-13 2009-08-18 | 3,600/mo | $0.92 | 892,000 | Last: 8 Avg: 5.5 |

For each keyword, you can get:
- Score: The profitability of this keyword in this campaign
- Days Seen: The number of days the campaign's ads were seen in Google results out of the number of days since the first ad of the campaign was discovered (for this keyword)
- Last/First Seen: The dates when the campaign's ads were first and last seen by CBGraph in Google results (for this keyword)

- Search Vol.: The approximate number of monthly search queries matching [exactly] the keyword (on Google and its Search Network)
- CPC: The estimated average Cost per Click (CPC) is taken from Google AdWords Keyword Tool
- Results: The number of Google organic results for the keyword
- Ads: The number of Google paid results for the keyword
- Position: The last and the average positions of the affiliate's ads in Google results for this keyword

The Keyword's Score is computed in the same way as the Campaign's Score, but it is based only on the ads appearance for some particular keyword.

## 4.3.4. Looking For The Ads

If you click on any keyword, you'll find ads of this campaign that are shown for this keyword.



For each ad, you can get:
- Score: The profitability of this ad
- Days Seen: The number of days the ad was seen in Google results out of the number of days since it was discovered (for the chosen keyword)
- Last/First Seen: The dates when the ad was first and last seen by CBGraph in Google results (for the chosen keyword)
- Position: The last and the average positions of the ad in Google results (for the chosen keyword)

The Ad's Score is computed in the same way as other scores, but it is based only on this ad appearance for the chosen keyword.

In fact, if the affiliate is split-testing his/her ads, they will have low score.

You should look only on the Keyword's Score to find profitable keywords.

## *4.4. Criteria Of Profitable Keywords Selection*

You see, there is no guarantee that something that has worked for another person for a long period of time will work for you in the future.

In this section I'd like to give you some tips on how to choose profitable keywords (from those you've discovered with a PPC Spy) or at least increase your chance of success.

1) The more often an ad appears, the more often it is clicked. The more often it is clicked, the more money its advertiser pays. The more the advertiser pays, the larger the probability that this ad is profitable.

Check found keyword in Google AdWords Keyword Tool. It should have high search volume. However, you should not bid on keywords that have extremely high search volume, unless you have a lot of money. You should aim for keywords with 2'000 - 100'000 searches per month.

2) Also you should look on the CPC of the keyword. The higher CPC, the more money the advertiser pays -- the more chances it is profitable.

This examination is especially required for keywords with low search volume (less than 10'000).

3) The more ads are shown for the keyword (the more competitive it is), the better. This examination will ensure you that CPC is actually high.

If there are a few ads for some keyword, their actual CPC can be as low as $0.05 (although AdWords Keywords Tool shows a high CPC).

By the way, if you are outside the US, you can visit:
http://www.google.com/search?gl=US&hl=en&q=type+your+keyword

In this way you will see all ads as if you were in the US. When you are on this page, you can type any other query.

4) "High CPC + Many ads + High position of the researched campaign's ads" is a killer.

5) The narrower the keyword, the better.

Let's say you promote a book on how to play a guitar.

A keyword "guitar" is too wide. A person who is looking for "guitar" in Google may think about: "buy guitar", "repair guitar", "guitar lessons", "guitar tabs", "photos of guitars", etc. In this case your ad about guitar lessons will have a very low CTR (if not less than 0.5% required by AdWords).

A keyword "guitar lessons" will be better.

However, a guitar can be acoustic or electric. So, a keyword "acoustic guitar lessons" will be even better.

In fact, a narrow keyword often may lead to more sales (because of higher CTR and ROI) than a wide keyword, although it has lesser search volume.

6) Always test extensions of found keywords. For example, you've found a keyword "play piano", check something like "play piano 82375982" in Google. If the advertiser's ad still appears for new keyword, the advertiser uses the phrase matching option.

Also, if found keyword is long, try to eliminate the first/last word. For example, you've found a keyword "play acoustic guitar", try "acoustic guitar". If the advertiser's ad still appears for new keyword, the advertiser possibly uses the keyword "acoustic guitar" with the phrase matching option. Test "acoustic guitar 9236573".

Try to choose only those keywords that are used with the [exact matching option]. However, if a keyword is used with the phrase matching option, it can be profitable as well. But, if you don't have enough money for experiments, select only [exact] keywords.

7) Search for the keyword on Google Search Partners.

As you remember, in AdWords Campaign settings, when you're choosing Networks, you can select the Search Partners. In this case, your ads will appear not only in Google results, but also in the results of the Google Search Partners.

When you're estimating the keyword, go to [Ask.com](Ask.com) and/or [AOL.com](AOL.com) and search for the keyword there. If the advertiser's ad doesn't appear on the first page of results, check the next pages as well.

If the advertiser's ad appears on any of the Google Search Partners, the advertiser uses them. It leads to more traffic and more evidence that the keyword is profitable.

8) You should always check all ads that are triggered for the keyword.

But, don't click on them! :) You don't want your ads to be clicked by some researcher; neither do the owners of these ads.

    a)  Do a right button click on an ad title
    b)  Choose something like "Copy Link Location" from the drop-down menu
    c)  Open a Notepad, Edit->Paste
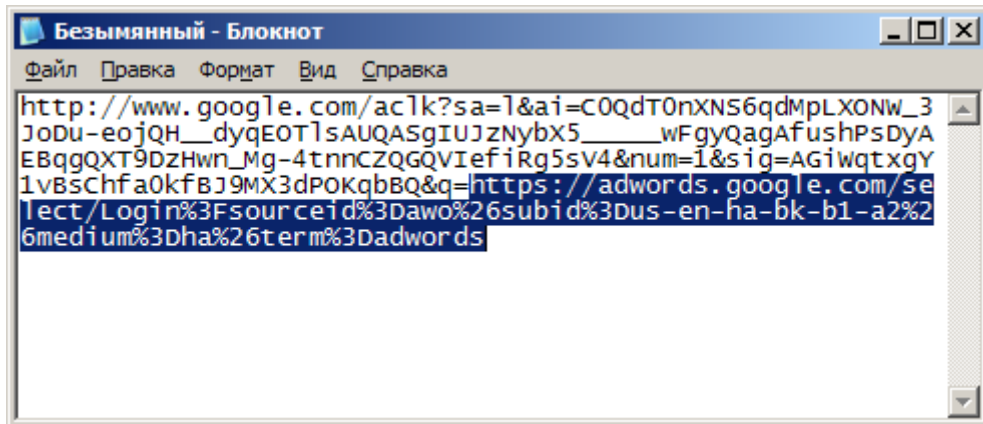


    d)  Copy the ending of these link (after "&q=" or "&adurl=")
    e)  Decode the copied URL with http://urldecoderonline.com/
    f)  Visit the decoded URL

Don't be too lazy to do this manipulation for all ads :) Or let me know a faster way of doing it.

So, you should check what other advertisers propose. Will your proposition be outstanding or not? Be honest, which offer would you choose if you were a customer…

You should not enter the market when there are a lot of better offers.

9) It is easier to clone a campaign that contains an easy-to-promote ClickBank product. See Chapter 2 for ClickBank tips.

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10) Optionally, you should check a search volume trend of a keyword in [Google Trends](#).

It should be stable or increasing:
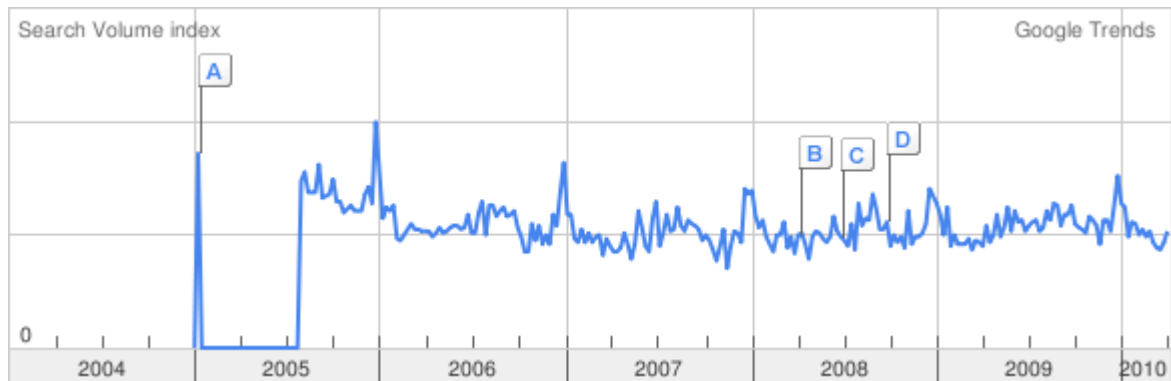


If you see that the trend of a keyword is decreasing, you should avoid using it:



If there is a lack or no information about a keyword in Google Trends, skip this step.

Conclusion: Although these tips can save you from many mistakes when you choose keywords, there is no 100% guarantee that historically profitable keywords will work for you in the future. You should be prepared to have some unprofitable campaigns before you find your first winner. Be persistent: No, No, No, …, YES!

## 4.5. About Inactive But Profitable Campaigns, Their Keywords And Ads

You see, many advertisers start to understand the advantages of landing pages and AdWords changes its rules pretty quickly nowadays. So a lot of affiliates who used to own direct linking campaigns now transform them into campaigns with landing pages.

Although you still can use direct linking campaigns for many ClickBank products pretty efficiently, you should prepare to move to landing pages.

For the April, 2009 – April, 2010 period the amount of direct linking campaigns has decreased more than in 3 times.

There are a lot of inactive direct linking campaigns in CBGraph PPC Spy that were successful. You can find them if you specify a campaign's days seen filter. Then, open such campaign and look for keywords that were used by its affiliate for at least 90 days. Then, analyze those keywords.

A lot of such campaigns were transformed into landing pages campaigns. So, the keywords are still profitable, because of that psychographic characteristic they have. And ads from these campaigns also can be used as a starting point for your new campaigns.

So, don't worry if the direct linking die someday -- you still can access to a bunch of useful historical data. These past data will be your gold mine when you implement and promote the autoresponder model from the Chapter 5. Remember and use this tip.

4.6. What can you do if there is already someone's direct linking campaign for a keyword and product you've chosen?

1) The most obvious, hard but most efficient way is to create a landing page campaign. See the Section 3.7.2 for tips on landing pages creation.
2) You can check the vendor's affiliate page.
   a) Some vendors provide several sales pages on different domain names -- In this way you'll pass the AdWords double serving rule.
   b) Some vendors provide ready to use landing pages. You can place them on your hosting under your domain name.
3) If you are an HTML-savvy (or you can hire a freelancer), you can clone the vendor's website completely, so it is hosted on your hosting with all resources and under your domain name.
   a) Always ask a vendor's permission before you do it. If you explain them that you're an affiliate and doing it to pass the AdWords double serving rule, many vendors will allow you to copy their content.
   b) Add <img with="1" height="1" alt="" src="http://your.hoplink" /> to your HTML.
   c) Replace the vendor's payment links (http://item.vendor.pay.clickbank.net) with http://item.affiliate_vendor.pay.clickbank.net (here, "affiliate" is your ClickBank ID).
   d) Be aware that this method can't be implemented for some websites.

4) You can try to promote another similar product.
In fact, you should try to promote different similar ClickBank products and find out which has a higher conversion rate. (Whether you implement direct linking campaigns or landing pages campaigns.)
5) Google AdWords is not the only PPC system. You can place your ads with Yahoo! Search Marketing and MSN adCenter. These 2 sources are also proven to provide the targeted traffic.

## 4.7. Starting A New Campaign, Based On Your Research

### 4.7.1. Creating A New Campaign

So, after using the PPC Spy, you've found some keywords and ads you want to use to promote some product.

First of all, go through all criteria of profitable keywords selection (Section 4.4) and decide which keywords are the best.

I recommend you to create a new campaign with only one ad group with a single keyword. Let it be the keyword you trust the most. To test one keyword, you'll need approximately $20-50 (depending on the competition level behind the keyword).

If you have much money, you can begin with more keywords, each in a separate ad group (however, if it is your first campaign, begin with only one).

Set settings recommended in the Section 3.3 (only the US and English, only Google Search Network without the Search Partners, the recommended Ad Schedule + all other important settings).

As a keyword for your ad group type your best keyword in square brackets (exact matching):
**[your keyword]**

This will ensure your ads will appear only when someone looks for the exact keyword.

Right from the beginning, create 2 different ads for this ad group. You can repeat some successful ads from the PPC Spy (although you may clone them completely, you should change some words) or write your own ads (see the Section 3.6).

As a CPC:
1) compute your CPC as described in the [Section 3.8](Section 3.8)
2) at the beginning, specify CPC for this ad group to be 5 times higher than the computed value

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Why to set it so high?

a) At the beginning of a new campaign AdWords knows nothing about the CTR of your new ads and it can only guess Quality Scores of your keywords.

b) If you bid more, your ads will appear higher and have more chance to be clicked. If they are well written, they will have a big CTR. In this way Quality Scores of your keywords may improve soon.

c) You won't pay that much. It is your maximal bid, AdWords will take only as much as is needed to be higher than the nearest competitor.

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After you create a campaign, immediately open your first ad group and specify a unique destination URL (a unique tracking ID) and CPC (the same as the CPC of the group) for the keyword in this group.

Also in the campaign settings set "Ad rotation" to "Rotate" (Show ads more evenly for split-testing).

If you decide to use more than one keyword at the same time, create separate groups for each keyword. Each ad group must have 2 ads.

For the simplicity, let's say we have only one ad group with the single keyword.

From now on, you have to wait for your first clicks. After few clicks you'll get information about how your keyword and ads perform:
- the number of clicks and impressions
- CTR
- Avg. CPC
- Cost
- Avg. Position
- Quality Score
- and others

You can select which columns to show by clicking on the button "Columns".

You should know that the conversion rate of your offer doesn't depend on your ad position. Here is the latest research of Google: http://adwords.blogspot.com/2009/08/conversion-rates-dont-vary-much-with-ad.html

The higher your ad position, the more chance it will be clicked by customers -- the more sales you'll get.

There is a myth that if your ad is on the first positions, it will be clicked by many people for the sake of curiosity. This is not true.

## 4.7.2. Decreasing CPC Of Your Keyword

You should not change the CPC for your keyword too often. Wait for at least 10 clicks between you change it.

After your first 10 clicks you can be shocked that the actual CPC is too high. But be calm -- you'll be able to decrease it soon.

So, after your first 10 clicks you should set the CPC for your keyword to its actual CPC.

At this point you should write on a paper the actual number of Clicks and the current Cost. For example, 10 clicks and Cost = $4.70. (Or 11 clicks and CPC=$5.17, if you do it after 11 clicks, etc.)

Then, wait for another 10 clicks.

Here is an important thing. Set your date range to cover the complete campaign activity. So if the next 10 clicks happen tomorrow, you'll be watching on the total stats.

Now, you need to compute a new value of CPC.

Write on a paper the current number of Clicks and the current Cost. For example, 20 clicks and Cost = $7.90.

$\Delta$Clicks = Current Clicks – Previous Clicks = 20 – 10 = 10 clicks
$\Delta$Cost = Current Cost – Previous Cost = $7.90 - $4.70 = $3.20

A new value of CPC = $\Delta$Cost / $\Delta$Clicks = $3.20 / 10 clicks = $0.32
At this moment, you should change CPC of your keyword to the new value of CPC.

Let's do it one more time.

We wait for another 10 clicks. Suddenly we missed this moment and now we have 32 clicks (for all time) and Cost = $10.90.

ΔClicks = Current Clicks – Previous Clicks = 32 – 20 = 12 clicks
ΔCost = Current Cost – Previous Cost = $11.90 - $7.90 = $3.00

A new value of CPC = ΔCost / ΔClicks = $3.00 / 12 clicks = $0.25
Change CPC of your keyword.

And you should repeat this process until you have a satisfying CPC.

You can automate all computations with Excel or another spreadsheet program.

If you're lazy and rich :), you can change CPC once a day to the value of "Avg. CPC" for the previous day (select "Yesterday" as a date range).

### 4.7.3. How Far You Can Decrease CPC

Well, by decreasing your CPC you may notice your ad position is also decreasing. You should keep your ads not lower than on the 8th position. However, at the beginning of your campaign, try to keep your ads not lower than on the 6th position.

When your ad position is decreasing, your CTR will also tend to decrease. If you see that your ad position decreases drastically and you've got less than 100 clicks, you should aim to keep your CPC high enough. Later, when your Quality Score improve, you'll be able to decrease CPC.

### 4.7.4. Improving Your Ads

Simultaneously, you should do split-testing of your ads as described in the Section 3.6.3.

At the beginning of your campaign, if you see some ad has low CTR (<0.75%) after it was clicked at least 10 times, you may improve it without waiting for 30 clicks.

### 4.7.5. The Final Test

After 150-200 clicks you can say whether you can achieve a success with the keyword.

If your affiliate commission is higher than (or at least equal to) your AdWords expenses on the initial test of the keyword, this keyword is definitely profitable.

However, if your expenses are higher than your commission, you should rethink whether it is possible to make your campaign profitable (you know the approximate conversion rate of your offer and the CPC).

If you haven't got any sale from such targeted PPC traffic (from your best keyword) at all, you should leave this product…

## 4.8. Extending A Successful Campaign

Well, you've got a successful campaign. Now, you should extend it. Here are some steps. Do them one at a time and always track your results.

1) Enable Search Partners.
2) Gradually add Canada, United Kingdom and Australia.
3) Prolong your Ad Schedule to 08:00AM - 08:00PM EST.
4) Check the time when most sales occur, bid more for clicks during that period (with Ad Schedule).
5) Add new keywords.
6) Try Google Content Network. Here are some tips:
   a) You can discover the demographics of the vendor's sales page visitors with [Quantcast](#) and [Alexa](#); then apply this information to your campaign settings.
   b) Discover from which websites you receive the most qualified traffic; then contact owners of these websites and propose to them a direct advertising.
7) Duplicate your campaign on [Yahoo! Search Marketing](#) and [MSN adCenter](#).

Also, you should always test and improve your ads and landing pages.

As well, you should search for new opportunities and build new campaigns.

# Chapter 5. Super Affiliate Transformation

*Creating a business instead of a temporary income source*

After reading the previous chapters, you can passionately want to quickly begin to send traffic with AdWords to some vendor's website and receive your affiliate income. But don't hurry!

Yes, the ideas, described in the previous chapters, may secure you from many mistakes and they will surely help you to make money.

But there is one big conceptual mistake…

Imagine that you have built a lot of profitable campaigns that send traffic to vendors' websites. Through the direct linking or through landing pages, it does not matter. Imagine that the income from your campaigns is $25,000. Is this a good business?

In fact, it is not a business at all! If you stop buying the traffic, your sales will immediately stop and you won't receive any income.

The problem is you don't collect contact information of your visitors.

In this chapter I'm going to give you some ideas on how you can create a valuable business that will generate a consistent and predictable income.

## 5.1. The Autoresponder Model

When you purchase PPC traffic, send it to your landing page on which you collect a name and email address of a visitor.

To organize such subscription, you should use [Aweber](#).

You must create a free educational content, which you will give in exchange for the subscription. It may be a PDF report, some audio or video. Also you should write at least 10 follow up messages, which will be automatically sent to your subscribers after a certain number of days after the subscription.

Your free report (or audio, or video) and follow up messages must give a lot of value to your subscribers. They have to treat some problems, explain how to do something, give some tips or provide an important knowledge.

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As follow up messages you can write some educational mini-course.

You should be an expert in the subject of your autoresponder and also have a tremendous passion for it.

## *5.2. How To Choose A Subject Of Your Autoresponder*

You can find a subject of your autoresponder by asking yourself the next questions:
- What do you know a lot about?
- What can you write a lot about?
- What are your hobbies?
- What are your natural talents?
- What skills do you have?
- What are your interests?
- What is your job?
- What do you like to do in your spare time?
- What do you often talk about with your friends?
- On what subject do you often advise your friends?
- What kind of books do you read?
- What do you like to read/learn about?
- What are you naturally good at?
- What can you do better than others?
- What do you do with ease?
- Which health issue have you cured?
- etc.

You should resonate with the topic you're going to write about. First of all, you must love doing it. It's about the process and not about the result of some activity.

For example, you love painting. It means you're enjoying the process of painting pictures. But if you're only enjoying your finished work and the process of painting is painful and boring for you, then try to find another subject.

Consider, for example, the Olympic runners. Of course they are interested in how to run the distance as quickly as possible (the result). But virtually all the successful runners absolutely love running, they passionately enjoy this activity.

On the other hand, many people begin to run only to lose weight, improve their condition and tone. But then they leave this activity because they do not enjoy the process of running, they hate it. This is plainly wrong: to desire an outcome, not enjoying the process.

You can find ideas for your autoresponder's subject by looking on the ClickBank Marketplace. Read the names of all categories. Perhaps, the titles of some products will be especially interesting to you.

Also use the tips from the [Section 2.3](#). Your subject should already have enough products that you can easily promote as an affiliate. It's not important for you to promote only ClickBank products. You can find products on other affiliate networks or sites of your topic.

What does it mean to be an expert? You do not need to have extra high knowledge in the area to be an expert. It is enough to understand your area better than an average person. Even if you think that your knowledge and experience are superficial, they can help a lot of people who begin to learn this subject.

If you are not an expert in any field, find something that you're passionately interested in, study it, and share that knowledge.

## *5.3. What This Model Gives You*

Upon reading your report, your subscriber will be able to solve some problem. After that, he still receives a series of follow up messages with useful tips.

By means of this high-value content you create a relationship and trust with your subscribers. They will be sure that you are an expert in your field and will always listen to your opinion.

Here is a good example. Suppose you know how to solve the problems related to the blood pressure. A visitor gets to your site, where you propose to him to enter his name and email address in exchange for a free report "How to lower your blood pressure 10-20 points".

In your free report you share a simple exercise, which your subscriber does 5 minutes each day. After 2 weeks, his blood pressure is 15 points lower than before and he feels much better.

The key point here is that you helped your subscriber, at least a little, to solve his problem. He now sees you as an expert, listens to you and trusts you.

From now on, you can advise him some products to further lower his blood pressure and improve his health. He will listen to your advice and buy those products. These may be your own products or some affiliate products.

This model is much more efficient than if you send a "cold" customer directly to some product. Plus, you have his contact information and may advise him other products in the future.

The concept when you're educating someone before you sell him something is called preselling. As an affiliate, you don't have to be a salesman. By giving a lot of value with preselling, you'll have very high conversion rates later.

Such is the nature of people: if you made them feel better, they seek to help you. Give before you get. Become a giver. Take care of your subscribers so that they take care of you later.

## 5.4. Tips On Writing Your Report

1) Know your reader. Analyze demographics and psychographics of people who visit websites related to your topic (Section 3.7.2.3-2).

2) Overdeliver what is expected.

3) You don't have to write a 200-300 pages book. 20-30 pages are enough. Even 10 pages of high-quality and valuable content will work. However, try a bit harder.

4) Talk with a friendly voice. Speak personally to your reader.

5) Write short sentences. If you can write something with fewer words, do it.

6) Try to use only the active voice, avoid passive voice constructions.

7) One idea per paragraph.

8) Keep paragraphs short: 1-3 sentences per paragraph. 5 is the absolute maximum.

9) Use a lot of white space between paragraphs.

10) Use lists with bullets or numbers to explode long composite sentences.

11) Remove all unnecessary content.

12) When you write a report, you can run into the author's block. This is a state of mind when you think you don't know what to write about or you're too lazy to write at all.

I overcome the author's block with a simple visualization. Imagine that your friend came to you and sincerely asks you to explain some aspect from the area in which you are very well versed. You sit down for a cup of coffee and you tell him what's what.

You can even put your friend's photo in front of you or invite your friend. It is especially useful if you're recording video or audio. Your intention has to go out of you and reach some object.

13) To structure information, you should use mind maps.

14) You can collect and group your ideas on some mind map and then write a new report when there are a lot of them.


## 5.5. Tips On Writing Messages For Your Autoresponder

1) At the beginning, write at least 10 follow up messages and send 1 message each 3-4 days. Later you should increase your sequence to 30+ messages.

2) One good practice is to send a message the day after the subscription, which ensures that the subscriber has downloaded your free report and is reading it. Otherwise provide a link to download it again.

Also in this message, you should write your contact information (email, twitter, facebook, etc.) so the subscriber can easily contact you.

3) Write content of your messages, using tips from the previous section.

4) Limit your text width to 50 chars per line

5) Try to excite a bored reader. If you look closer to a typical lifestyle of an average person, you'll see that more than 90% of the time people spend without any emotion. If you can give a positive emotion to your readers with your words, they will remember you and look forward to hear from you again. Even some negative emotion is better than complete apathy.

6) Especially in the first period after the subscription, remind your readers why they were subscribed (for example, to receive your free report).

7) Mention the name of the subscriber in the subject and body of each message.

8) You may choose to not advertise anything at the beginning but provide a lot of value. And a month later start to send individual messages with recommendations of products.

Or you can start to advertise since the first message. It is all up to you (you should test everything).

9) Do not be afraid to send messages entirely devoted to advertise some product.

10) Also you can alternate kinds of messages: on one week you send only messages with high value, on the next week you send only advertising messages, then week with high value messages, and so on.

11) "If someday your subscribers need to re-opt-in to your autoresponder, will they?" It is a good question to ask yourself from time to time. Your answer will indicate whether you give enough value to people.


## 5.6. Testing And Improving Your Series Of Follow Up Messages

When your subscribers have read your report and the first follow up messages, they will trust your expertise. Many of them will buy advertised products.

You should know how much you earn on average from each subscriber after he/she finishes your series of follow up messages. It can be $1 or $5 or $10, etc.

When you know this value, you'll want to increase it.

You can add new posts to your series, which:
- increase trust between you and your readers
- re-advertise some products
- advertise additional products

You can try to change the order of messages in your series.

You can edit subjects (titles) of some messages, tracking the percentage of their opening before and after your changes.

You can change the content of ineffective advertising messages.

You can try to increase or decrease a delay between some messages of your series.

You can test different days of the week when some messages are being sent.

And so on…

As a result of such actions, your earnings per subscriber can grow or fall. But, constantly testing and improving your series of messages, you'll get a perfect series.

You can improve some message in your series and monitor the percentage of its opening. And also, if it is an advertising message, you should watch the rate of clicks on affiliate links and the conversion rate after reading this message.

If you wish to make more global changes (permutation of messages, days of the week, etc.), you can create a separate series of messages as a new list and modify the subscription form on your landing page. In this way, the following subscribers will get a new series of messages. Then you can compare the performance of several series of messages and continue to improve the best one.

## 5.7. Testing And Improving Your Landing Page

There is a necessity for you to test and improve your landing page, where you place the subscription form for your autoresponder.

To do this, you should use Google Analytics (goals) and/or Google Website Optimizer.

Your goal is to increase the conversion rate of subscription. Change titles, styles, messages, pictures, calls to action, and so on. Make one change at a time and evaluate how much it is useful.

It is effective to place your personal photos, audio messages and/or videos. By these means you can share your passion for the favorite occupation.

## 5.8. Your Sweet Spot

The 80/20 Rule applied to the autoresponder model has the next usage: 80% of your profits from your autoresponder will come from 20% of your subscribers.

This is a rough estimation. In fact, it can be 90/10 or 95/5 for different autoresponders. But the point is that the bulk of revenues will come from a small number of your subscribers.

You should detect subscribers who generate your income and encourage them. You can send them additional exclusive content, engage them in a dialogue and offer your personal assistance.

Thus, you'll increase their interest to your autoresponder and they won't disappear. Not to mention the fact that you can build friendship with a large number of like-minded people.


## *5.9. Advisability Of The Autoresponder Model*

1) Competition in the Pay Per Click advertising is constantly increasing. The CPC of worthy keywords is gradually growing. Only those who can afford it, earning more than spending, remain in the battle.

As a rule, those who can continue to bid on highly competitive keywords, give people a lot of value, they are givers.

Most of the money is made on these keywords. You should strive to be able to bid on such keywords.

According to a recent study done by Global Insight for the Direct Marketing Association, Internet search advertising returns $21.85 for every dollar spent (in 2009).

It is just impossible when you promote products directly to "cold" visitors.

If your average earnings per subscriber is $10 and a conversion rate of your landing page is at least 20%, you easily may spend $1 per click. This will allow you to bid on some highly competitive but profitable keywords.

2) It is technically easy to implement the business model with an autoresponder. You don't even need to know HTML.

You can install a WordPress blog on your web hosting under your domain name. And you can make an invitation to subscribe as a simple blog post. [Aweber](#) will generate an HTML code of your subscription form.

Everything else does not require any technical skills. You only have to write text messages with [Aweber](#).

You can create a PDF-report with Google Docs and then upload it with the Control Panel of your web hosting.

3) You can use CBGraph PPC Spy to find profitable keywords to promote your own autoresponder (Instead of one-off sending traffic to sales pages of vendors). Therefore, advice from the previous chapters will be extremely useful to you.

Also, if you can't find enough data with CBGraph PPC Spy, you can try the KeywordSpy tool. But be absolutely sure to examine found keywords with criteria of profitable keywords selection given in the Section 4.4.

**End – I hope you enjoyed this book and will take the action to create your own business! You can do it!**

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