

Digital Marketing

Week 5:

Search Engine Marketing (SEM) & Pay-Per-Click (PPC)

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Learning Objectives

- Define Search Engine Marketing (SEM) and explain its purpose in digital marketing.
- Differentiate between SEM and SEO, and understand where PPC fits into the SEM strategy.
- Describe how Pay-Per-Click (PPC) advertising works, including key terms like Cost-Per-Click (CPC), impressions, and click-through rate (CTR).
- Explain how Google Ads functions, including campaign structure (account > campaign > ad group > ads).
- Understand the Google Ads Auction System and how Ad Rank is calculated based on Bid and Quality Score.
- Analyze how advertisers are charged based on actual CPC, not just their maximum bid.
- Identify best practices for running successful SEM campaigns (e.g., using long-tail keywords, creating relevant ads, optimizing landing pages).
- Evaluate the effectiveness of SEM campaigns using performance metrics such as CTR, CPC, conversion rate, and ROI.

What is SEM?

What is SEM?

Search Engine Marketing (SEM)

is defined as placing a message in a search engine which results to encourage certain clicks when a user types a specific keyword phrase on a website.

Terrance et al., 2017

What is SEM?

Search Engine Marketing (SEM)

is the marketing process with a goal of obtaining more visibility in search engines either by getting more free traffic or paid traffic.

Sahin & Dirsehan, 2023

SEM in Simple

Search Engine Marketing (SEM) refers to the practice of using paid advertising to appear on search engine results pages (SERPs).

Advertisers pay to target keywords based on their potential customers search terms.



furniture

Semua Gambar Shopping Maps Video singkat Video Berita : Lainnya Alat

Buka sekarang Design Kayu Apa saja Toko Bali TTS Minimalis Terdekat

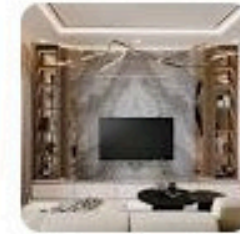
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1GOOCENGQQ : Furniture store - Pilihan Tepat Disini

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A person enters a query into a search engine.

Advertisers aim for particular keywords that trigger their ads on search engines.

The goal of advertisers is to bring visitors to their sites and convert them into revenue.

Why use SEM?

- **SEM allows businesses to reach potential customers at the exact moment they're searching for relevant offerings.**
- **SEM provides tools to measure results, stay within budget, and drive business growth.**

About 2,98,00,00,000 results (0.60 seconds)

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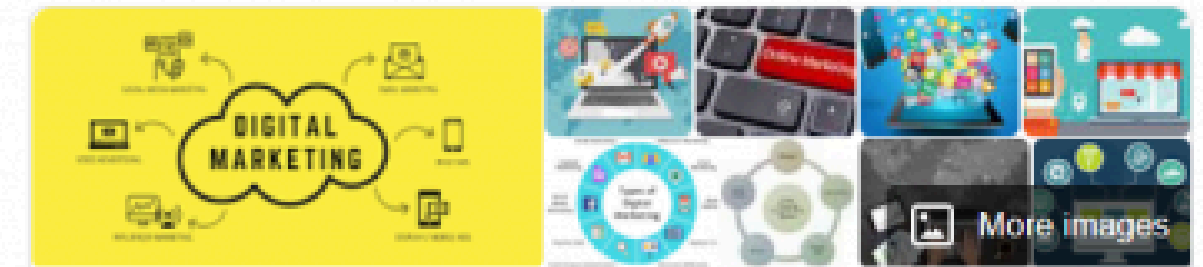
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Online Marketing Made Simple: A Step-by-Step Guide

[neilpatel.com > what-is-online-marketing](https://neilpatel.com/what-is-online-marketing)

Online marketing is the process of advertising any kind of good or service to potential consumers via digital strategies. From articles and videos to podcasts and ...



Internet Marketing

Plan

Digital marketing is the component of marketing that utilizes internet and online based digital technologies such as desktop computers, mobile phones and other digital media and platforms to promote products and services. [Wikipedia](#)

Digital marketing books

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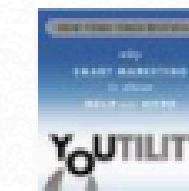
Digital Marketing For Dum...



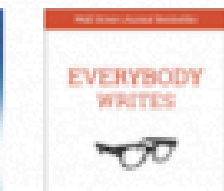
Jab, Jab, Jab, Right Hook



Epic Content Marketin...



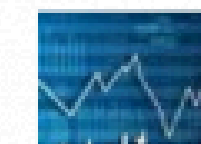
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The word "ad" will no longer appear in Google search advertising, and company names and logos will also be added

...



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Published Oct 18, 2022

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Ads Label to Sponsored Label

In Google Search Ads, Sponsored Label

Last but not least, Google is replacing the "Ad" tag with a new "Sponsored" tag. The word "Sponsored" will now appear in the upper left corner of search advertising on its own line.

These changes to Google Search advertisements are now being implemented progressively on mobile, with a later launch of a comparable experience for desktop.

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getstarted.tiktok.com

<https://getstarted.tiktok.com>**Social Media Marketing - Meningkatkan Hasil Bisnis**

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Layanan: Penginstalan aplikasi, Kunjungan situs **web**.

[Berapa Biayanya?](#)[TikTok For Business](#)[Capai Tujuan Bisnis Anda](#)[Optimalkan Performa Digital](#)**Bersponsor**

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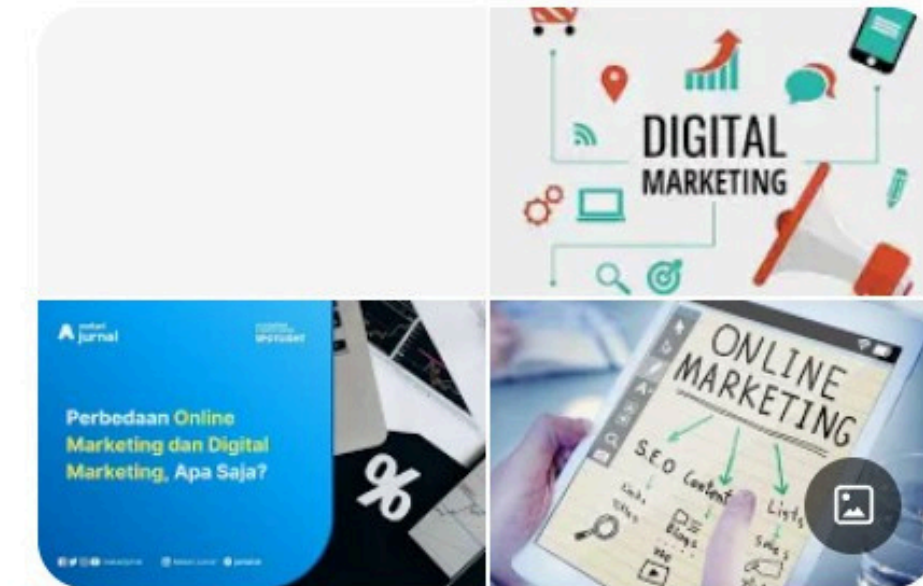
<https://www.matabadai.com>**Jasa Content Creator - Digital Marketing Bali - Digital Agency Bali**

Jasa **digital marketing** Bali yang melayani jasa kelola sosial media dan iklan. **Digital marketing** agency Bali untuk kelola sosial media dan ads. Konsultasi gratis. Layanan: Jasa Kelola IG, Jasa Ads, Jasa Video.

[Jasa Manajemen Social Media](#) · [Social Media Management](#) · [Pricelist](#) · [Hubungi Sekarang](#)



Mekari Jurnal

<https://www.jurnal.id> > Home > Business Management**Pemasaran digital**

Pemasaran digital adalah suatu kegiatan pemasaran atau promosi sebuah merek atau produk menggunakan media digital atau internet dengan tujuan untuk menarik konsumen atau calon konsumen secara cepat.

Source: [Wikipedia](#)

Orang lain juga menelusuri

Pemasaran



Optimisasi mesin pencari



Pemasaran dengan media so...



Pemasaran konten


SEM vs. SEO

Features	SEO	SEM
Type	Organic (unpaid)	Paid
Visibility	Earns ranking through content & site optimization	Buys placement on search engines
Time	Long-term strategy (takes time to rank)	Immediate visibility (once ads are live)
Cost	Free (but time-consuming)	Paid per click or impression
Example	A blog ranking #1 for "healthy recipes"	A sponsored ad for a meal kit service at the top of results

SEO: Organic Result


SEM: Paid Ads


furniture

 **IKEA Indonesia**
https://www.ikea.co.id > inspirasi > definisi-furnitur

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[Jual Furniture](#) [Produk](#) [Keranjang Belanja](#) [Promo](#)

 **Gudang Furniture**
https://gudangfurniture.com

Gudang Furniture - Refining Your Productivity - Jakarta

Gudang Furniture merupakan **situs belanja online serba lengkap yang menjual berbagai varian furniture**, mulai dari furniture rumah, furniture kantor seperti meja ...

[Lokasi Kami](#) [Tentang Kami](#) [Semua Kamar Set](#) [Meja Gaming](#)


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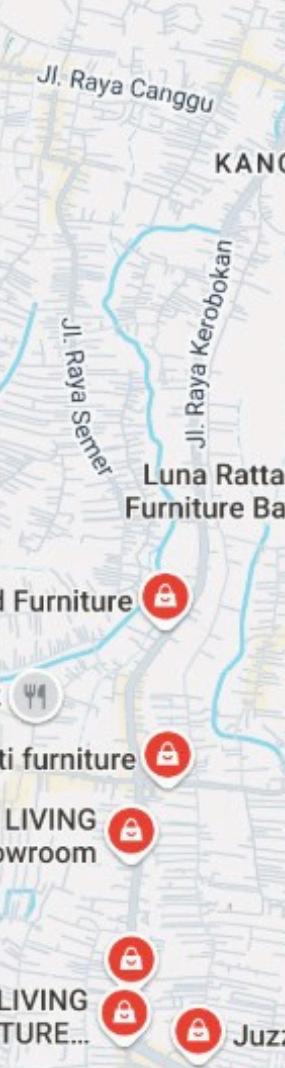
Tempat

 **F2C Furniture Bali Superstore**
4,8 ★★★★★ (2,4 rb) · Toko Mebel
Kota Denpasar, Bali · 0821-8086-8388
Segera tutup · Tutup pukul 21.00
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 **DewataMebel.Com**
4,9 ★★★★★ (1,8 rb) · Toko Mebel
Kota Denpasar, Bali · 0811-3881-388
Tutup · Buka Min pukul 09.00
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 **Dewata Mebel Denpasar Gunung Agung**
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SEM Platforms

Platform	Description
Google Ads	Most widely used SEM platform. Access to Google Search and Display Networks.
Bing Ads	Microsoft's platform. Ads appear on Bing, Yahoo, and AOL.
YouTube Ads	Video-based ads; part of Google Ads.
Google Display Network	Shows banner/image ads on websites partnered with Google.

How SEM Works

- **Choose a Platform** – Example: Google Ads, Bing Ads
- **Keyword Research** – Find keywords your target audience is searching for
- **Create Ads** – Write compelling text ads (Include headlines, descriptions, URL paths, extensions)
- **Set a Budget** – Daily or monthly ad spend, choose bidding strategy (manual or automated)
- **Define Targeting** – Location, language, device, time of day, demographics
- **Launch Campaign** – Monitor in real-time
- **Analyze Performance** – Use metrics like CTR, CPC, conversions, and Quality Score

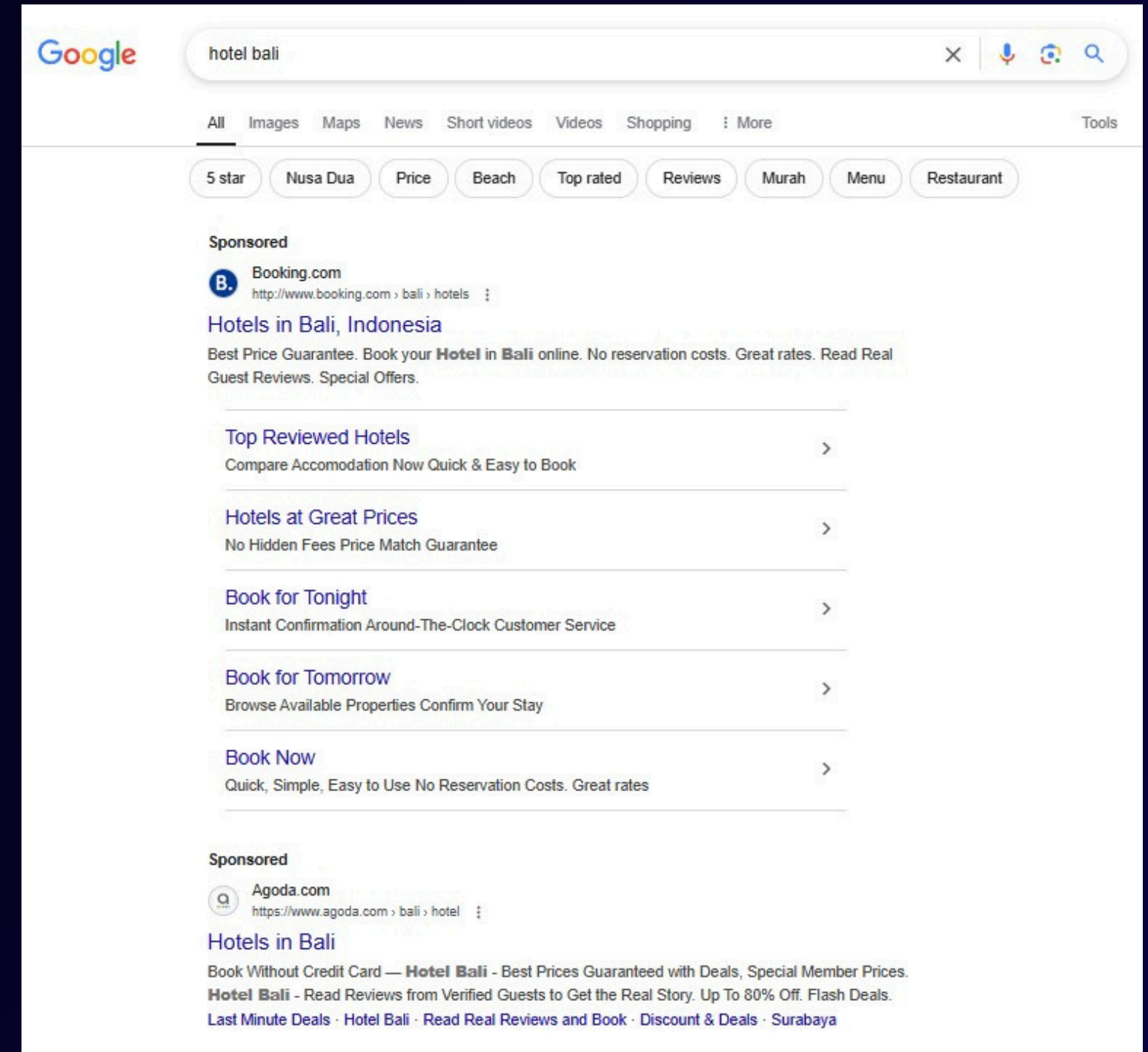
Types of SEM Ads

1 Search Ads

- These text-based ads appear at the top or bottom of search engine results.

Example:

A user searches for "Hotel in Bali" → The first few results might be ads by hotel booking websites.



Key Components of SEM

2. Keywords

- Keywords are **the search terms** people use. Advertisers **bid** on keywords that are relevant to their products/services.

Choosing the right keywords is crucial – they must align with user intent and the business offering.



Key Components of SEM

3. Ad Auction

- Whenever someone performs a search, Google (or other search engines) runs an **auction** to decide which ads show up and in what order.
- The ad placement depends on:
 - **Bid Amount** (How much you're willing to pay)
 - **Quality Score** (Ad relevance, expected click-through rate, landing page experience)



Key Components of SEM

4. Pay-Per-Click (PPC)

- PPC is a model of digital advertising where advertisers pay a fee each time their ad is clicked. Instead of earning traffic organically, you're essentially buying visits to your website.
- You only pay when someone **clicks on your ad** – not when it's displayed.

Key Components of SEM

4. Pay-Per-Click (PPC)

PPC Targeting Options:

- Keywords – Based on search intent
- Location – Show ads in specific regions or cities
- Demographics – Age, gender, income, etc.
- Device – Mobile vs desktop targeting
- Time – Show ads at peak hours
- Audience Behavior – Past website visitors (retargeting)

Google Ads Overview

- **Google Ads** (formerly Google AdWords) is an online advertising platform developed by Google.

It allows businesses to show their ads on:

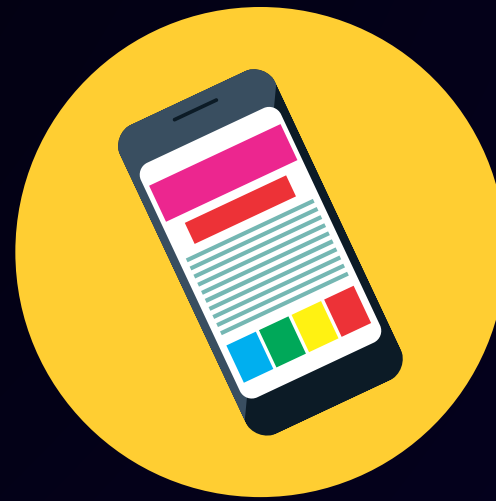
- Google Search results
- YouTube
- Gmail
- Google Display Network (millions of websites and apps)



Google Ads – Campaign Types



**Search
Campaign**



**Display
Campaigns**



**Youtube
Campaigns**



**Shopping
Campaigns**

Google Ads Auction

- Every time someone searches for something on Google (like “buy sneakers online”), Google runs a real-time auction to decide which ads appear on the search results page.
- **It’s not just about who pays the most.** Google also considers the quality of the ad and how relevant it is to the user.





Tukang Bersih AC cikarang Pusat



Semua

Gambar

Video

Shopping

Maps

Berita

Video singkat

Lainnya

Alat

Buka sekarang

Rating tertinggi

Estimasi online

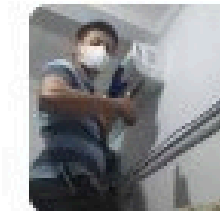
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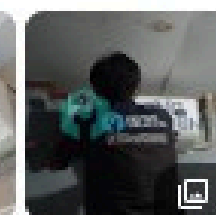
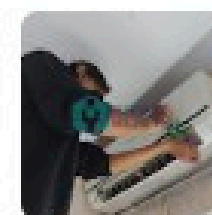
abangbenerin.com

<https://www.abangbenerin.com> > bongkarpasangac ⋮

Tukang AC

Bengkel AC · Jalan Peta Selatan No.1 Blok D, RT.8/RW.1 · [Buka](#) - ...

Mulai dari Rp 350.000 — Layanan Bongkar Pasang AC Dengan Harga Dan Kualitas Terbaik. Bergaran...



How the Auction Works

1. A user types a search

Example: *"Best pizza near me"*

2. Google Looks for Matching Ads

Google checks which advertisers have targeted this keyword in their campaigns.

3. Google Runs an Auction

For each advertiser in the pool, Google calculates:

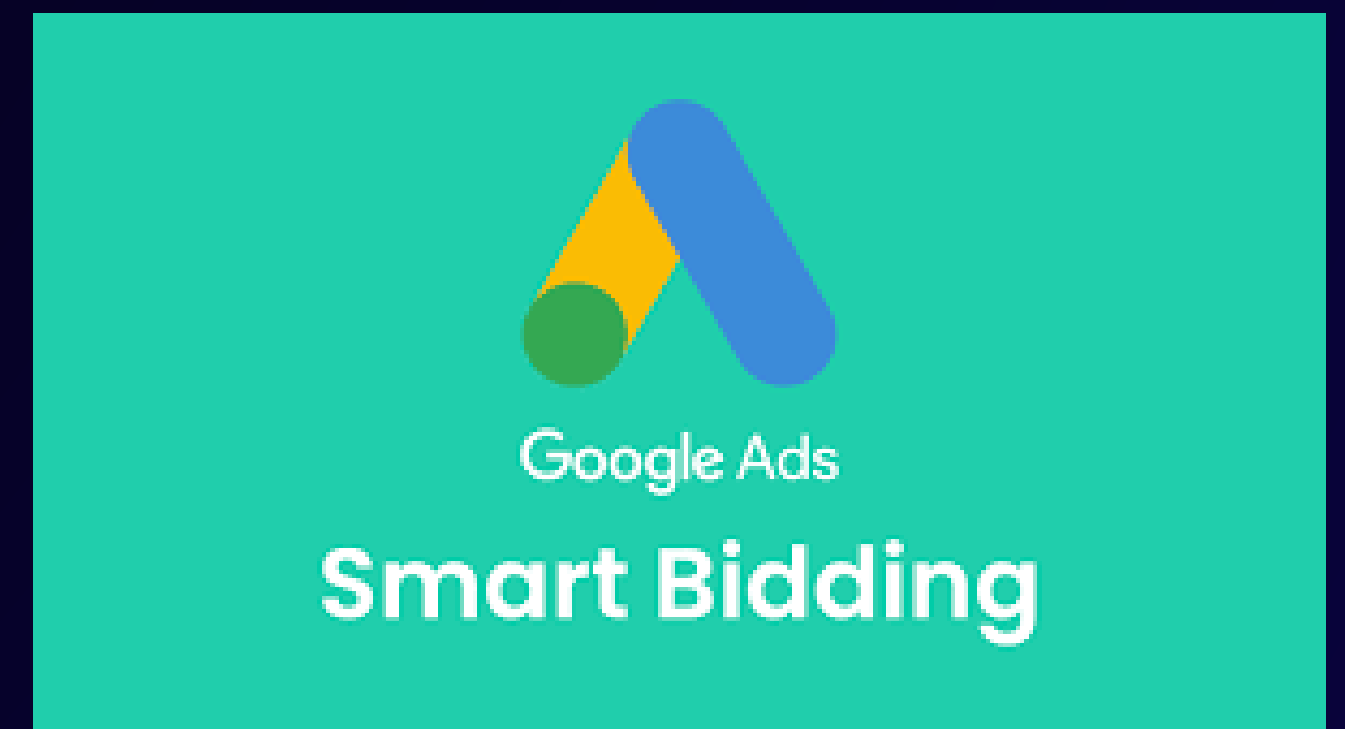
$$\text{Ad Rank} = \text{Bid} \times \text{Quality Score}$$

The ads with the highest Ad Rank are shown in the top positions.

Key Components of the Auction

1. Bid

- The maximum amount an advertiser is willing to pay for a click.
- **Example:** “I’ll pay up to Rp10.000 for someone to click my ad.”



Key Components of the Auction

2. Quality Score

A score from 1 to 10 that Google gives based on:

- **Ad relevance** – Is the ad related to the keyword?
- **Expected click-through rate (CTR)** – Is the ad likely to get clicks?
- **Landing page experience** – Is the page helpful and user-friendly?

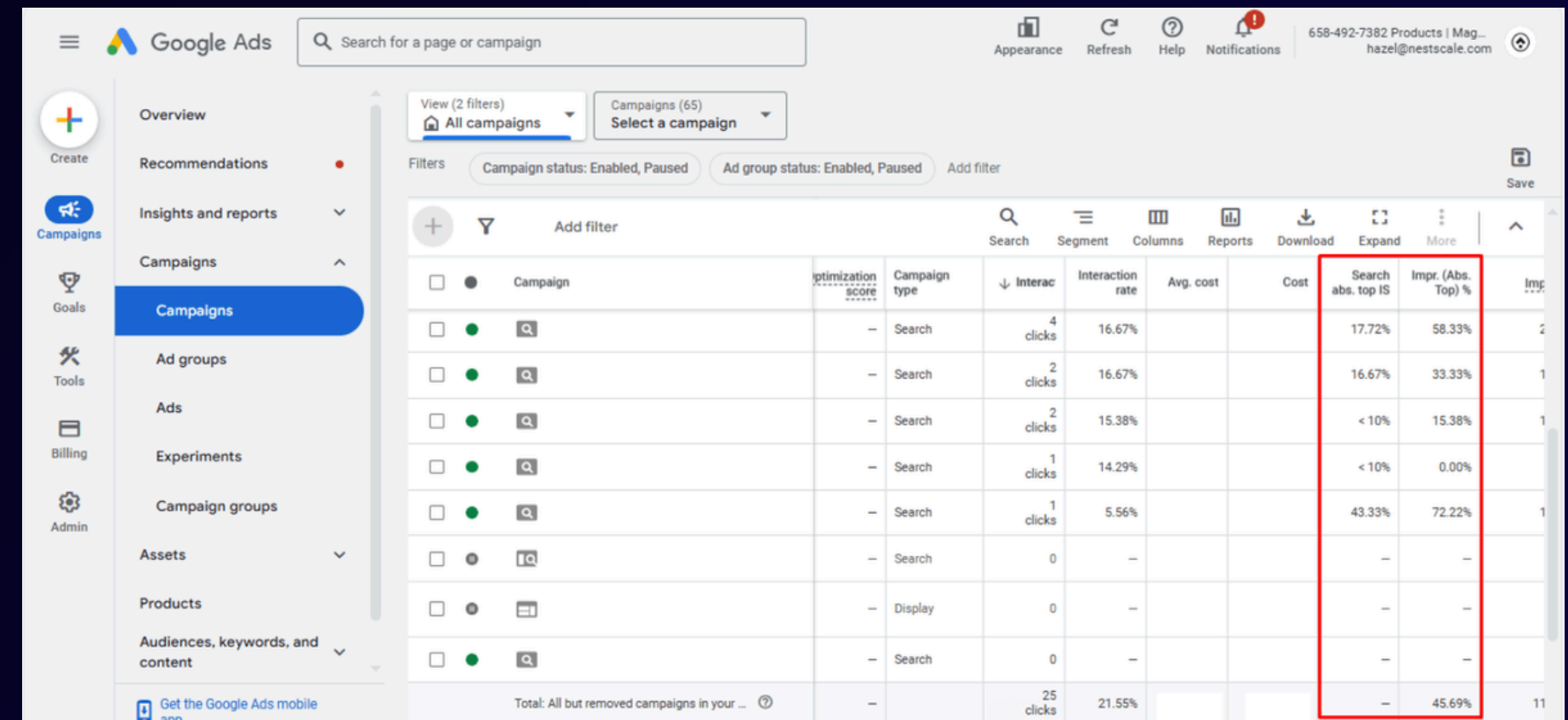
A higher Quality Score can lower your cost and boost your ad position!

Key Components of the Auction

3. Ad Rank

- Final score that decides the ad's position on the search page.
- Formula:

$$\text{Ad Rank} = \text{Bid} \times \text{Quality Score}$$



The screenshot shows the Google Ads interface with a table of campaign performance metrics. The table has columns for Campaign, Optimization score, Campaign type, Interactions, Interaction rate, Avg. cost, Cost, Search abs. top IS, and Impr. (Abs. Top) %. A red box highlights the 'Search abs. top IS' and 'Impr. (Abs. Top) %' columns for several campaigns.

Campaign	Optimization score	Campaign type	Interac	Interaction rate	Avg. cost	Cost	Search abs. top IS	Impr. (Abs. Top) %
	-	Search	4 clicks	16.67%			17.72%	58.33%
	-	Search	2 clicks	16.67%			16.67%	33.33%
	-	Search	2 clicks	15.38%			< 10%	15.38%
	-	Search	1 clicks	14.29%			< 10%	0.00%
	-	Search	1 clicks	5.56%			43.33%	72.22%
	-	Search	0	-			-	-
	-	Display	0	-			-	-
	-	Search	0	-			-	-
Total: All but removed campaigns in your ...			25 clicks	21.55%			-	45.69%


Why Does Google Use an Auction System?

- **For users:** They see relevant and helpful ads, not just the ones from the highest bidder.
- **For advertisers:** It gives everyone a fair chance, even with a small budget, by focusing on ad quality.
- **For Google:** It keeps users engaged, improving the overall experience and encouraging more clicks.



Example of Google Ads Auction

- Three online stores in Indonesia want to show ads for the keyword: **“cheap men’s sneakers”**

Advertiser	Max Bid (CPC)	Quality Score	Ad Rank (Bid x QS)	Ad Position
Store A	Rp10,000	5	50,000	2 Second
Store B	Rp8,000	8	64,000	1 First 
Store C	Rp12,000	3	36,000	3 Third

- Even though **Store C** has the highest bid (Rp12,000), their **Quality Score** is low (3), so they only get the **third position**.
- **Store B**, with a lower bid of **Rp8,000**, wins the **top position** because they have a **high-quality ad and landing page** (Quality Score: 8).

Calculating the Actual Cost Per Click (CPC)

- Let's say Store B wins the top position.
- To find out how much they actually pay, we use this formula:

Actual CPC = (Ad Rank of the advertiser below you ÷ Your Quality Score) + Rp1

$$= (50,000 / 8) + Rp1$$

$$= Rp6,250 + Rp1 = Rp6,251$$

So even though Store B was willing to pay up to Rp8,000, they only pay Rp6,251 per click, thanks to their high Quality Score.

Measuring SEM Success

Measuring SEM Success

1 Impressions

- **Definition:**

The number of times your ad is shown on a search engine results page (SERP), regardless of whether it is clicked or not.

- **Why It Matters:**

High impressions show that your ad is visible and that your keyword targeting is working.

Example:

If your ad for “affordable sneakers” was shown 5,000 times, your impressions = 5,000.



Measuring SEM Success

2. Clicks

- **Definition:**

The number of times people actually **click on your ads**.

- **Why It Matters:**

It reflects **interest or relevance**. A high number of clicks means your ad resonates with your audience.

Example:

From the 5,000 impressions, 300 people clicked your ad → 300 clicks.



Measuring SEM Success

3. Click-Through Rate (CTR)

- **Definition:**

It shows the **percentage of people** who saw the ad and then clicked it.

$$\text{CTR} = (\text{Clicks} \div \text{Impressions}) \times 100$$

- **Why It Matters:**

It tells you how **compelling your ad copy and offer** are. A higher CTR means better engagement.

- A **good CTR varies** by industry, but generally 2% to 5% is considered healthy.

Example:

$$300 \text{ clicks} \div 5,000 \text{ impressions} \times 100 = 6\% \text{ CTR.}$$

Measuring SEM Success

4. Cost Per Click (CPC)

- **Definition:**

It shows how much you are paying for each click.

$$\text{CPC} = (\text{Total Cost} \div \text{Total Clicks})$$

- **Why It Matters:**

It helps manage your budget efficiently. Lower CPC with high conversion is ideal.

Example:

You spent Rp450.000 for 300 clicks \rightarrow $\text{Rp450.000} \div 300 = \text{Rp1.500 CPC}$

Measuring SEM Success

5. Conversion Rate

- **Definition:**

Conversion Rate = (Conversions ÷ Clicks) × 100

A conversion can be: A purchase, A sign-up, A download, Any goal you define

- **Why It Matters:**

This shows how many people **take action** after clicking. It's a **direct measure of success**.

- Conversion rates vary, but 2–5% is **typical**. Ecommerce often targets higher rates.

Example:

30 purchases from 300 clicks → $30 \div 300 \times 100 =$ **10% conversion rate**

Measuring SEM Success

6. Cost Per Conversion (a.k.a. Cost Per Acquisition – CPA)

- **Definition:**

It shows how much it costs to get one customer or lead.

$CPA = (\text{Total Cost} \div \text{Number of Conversions})$

- **Why It Matters:**

It directly impacts **profitability**. You want this to be **lower than the profit** from each conversion.

Example:

You spent Rp450.000 and got 30 purchases →

$CPA = Rp450.000 \div 30 = Rp15.000$ per customer

Measuring SEM Success

7. Quality Score (specific to Google Ads)

- **Definition:**

A score from 1 to 10 that Google assigns based on:

- Keyword relevance to the ad
- Landing page experience
- Expected click-through rate

- **Why It Matters:**

Higher Quality Scores **reduce CPC and improve ad position**. Google rewards high-quality, relevant ads.

Example:

If your ad and landing page are highly relevant to “running shoes,” you might get a **Quality Score of 8 or 9 out of 10**.

Measuring SEM Success

8. Ad Position / Average Position

- **Definition:**

Indicates where your ad appears on the SERP.

- Top position = above organic results
- Absolute top = very first ad

- **Why It Matters:**

Position impacts visibility and click volume. Higher positions typically mean more clicks, but also higher CPC.

Measuring SEM Success

9. Return on Ad Spend (ROAS)

- **Definition:**

$ROAS = (\text{Revenue from Ad Campaign} \div \text{Cost of Ads})$

- **Why It Matters:**

This is the ultimate measure of profitability of your SEM efforts.

- **Rule of Thumb:**

A ROAS of 4:1 means that for every \$1 spent, you made \$4 – a strong result!

Example:

Rp1.800.000 in revenue from Rp450.000 in ad spend →

$ROAS = Rp1.800.000 / Rp.450.000 = 4x$

Measuring SEM Success

10. Bounce Rate

- **Definition:**

The percentage of users who click your ad but leave the landing page without taking action.

- **Why It Matters:**

IA high bounce rate might mean:

- Your landing page isn't relevant
- Poor user experience
- Slow page load

Best Practices for SEM

1 Use Specific, High-Intent Keywords

- Instead of bidding on broad keywords like “shoes,” use specific terms like **“buy running shoes online”** or **“men’s Adidas running shoes.”**

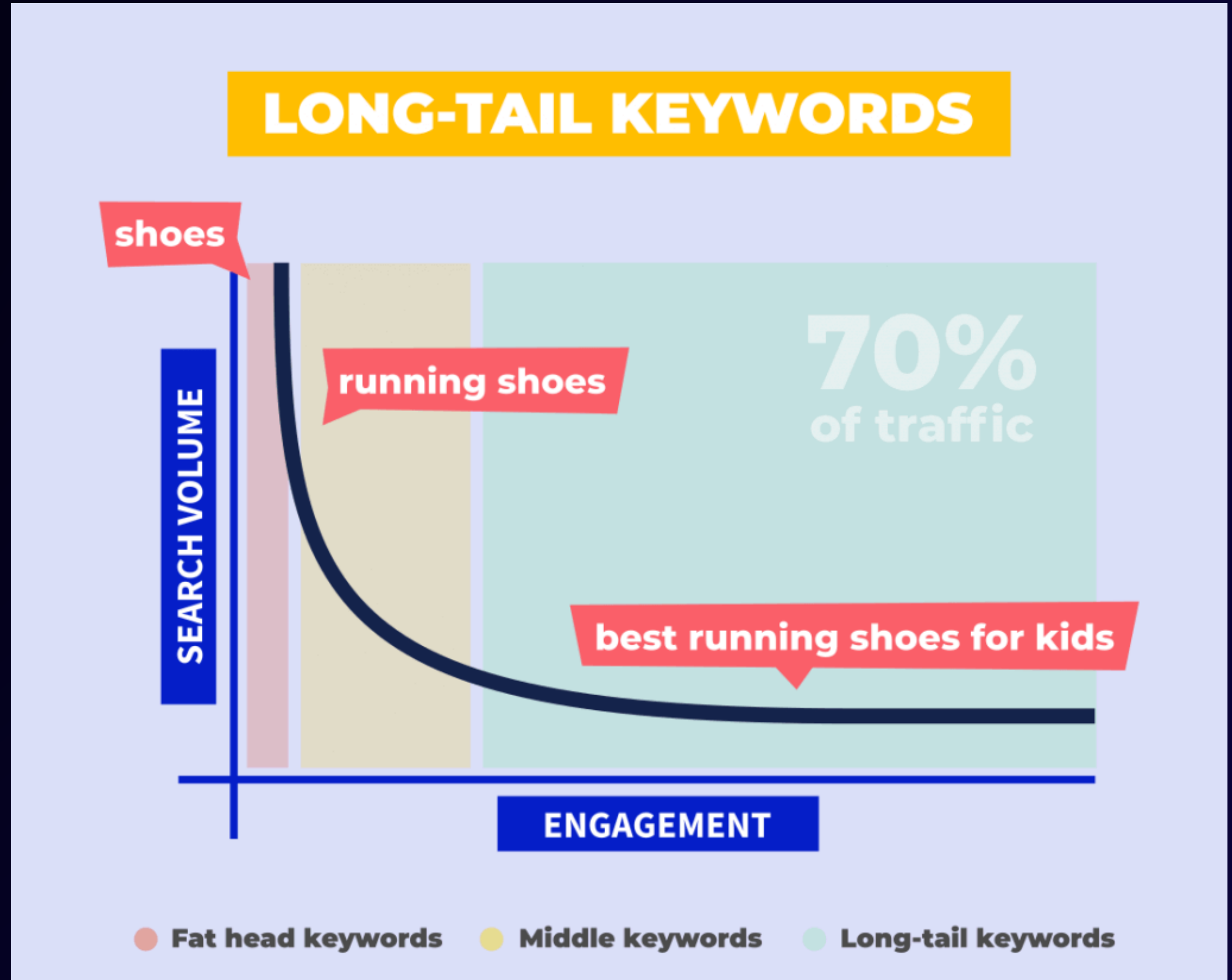
Why It Matters:

- Attracts more qualified traffic (users ready to buy)
- Reduces wasted ad spend
- Improves CTR and conversion rate

Use long-tail keywords (3–5 words) for better targeting.

Long Tail Keywords

A long-tail keyword is a specific, longer phrase that users search when they're close to making a purchase or looking for very specific information.



Where to Find Long-Tail Keywords

- **Google Autocomplete**

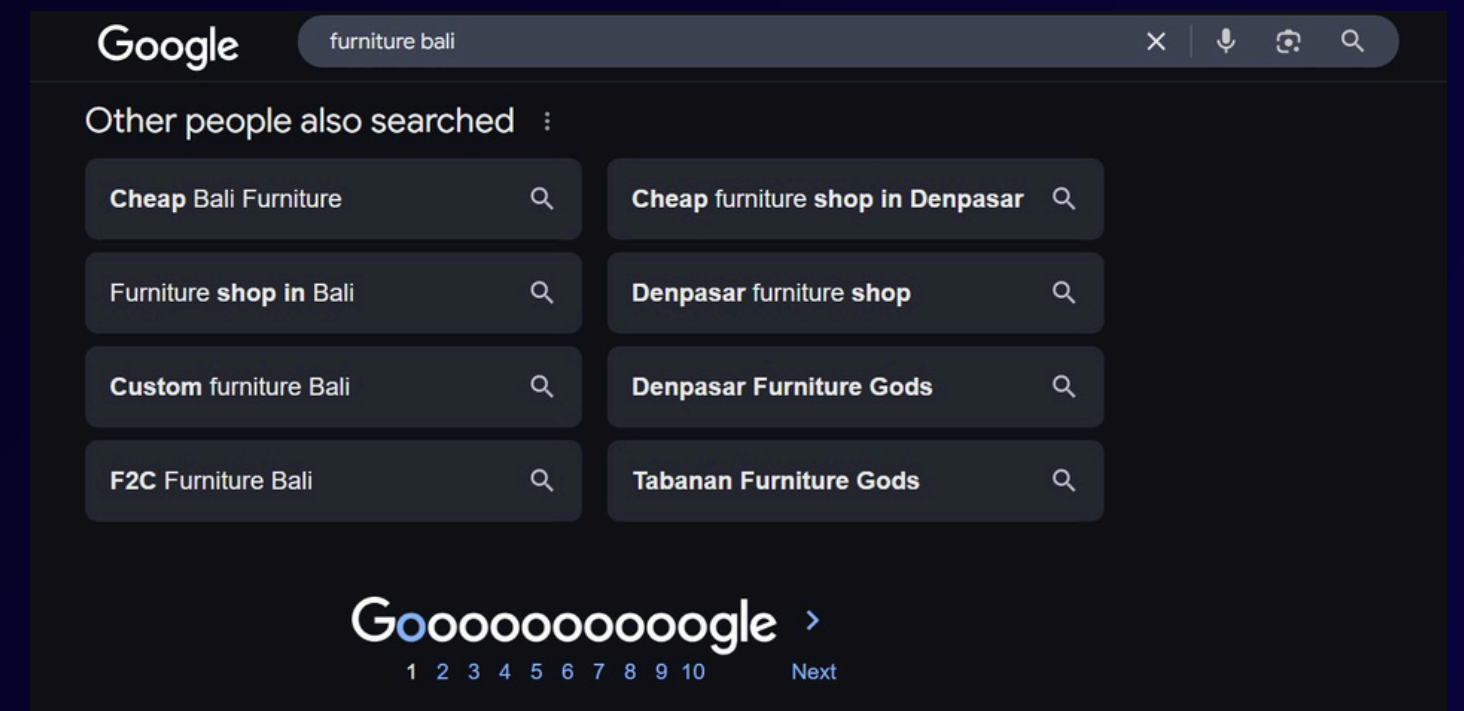
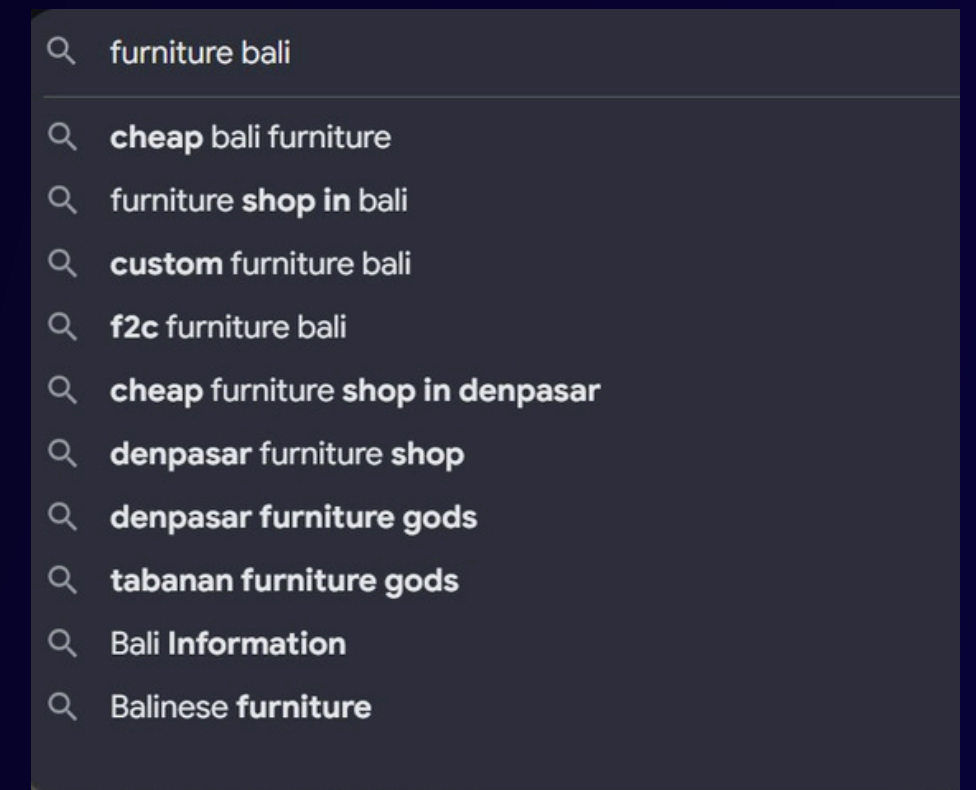
Type a phrase and see what Google suggests.

- **“People also ask” and “Related searches”**

Found at the bottom of Google results.

- **Keyword Tools:**

- Google Keyword Planner
- Ubersuggest
- AnswerThePublic
- SEMrush, Ahrefs (premium tools)



Best Practices for SEM

2. Write Compelling and Relevant Ad Copy

The ad text should:

- Match the user's search intent
- Include a strong Call-To-Action (CTA) like "Buy Now" or "Get Free Quote"
- Highlight benefits or offers (e.g., "Free Shipping", "30% Off Today")

Why It Matters:

- Encourages more clicks
- Improves Quality Score
- Helps stand out from competitors

Example:

Weak Ad: "New Shoes Available"

Strong Ad: "Shop New Nike Running Shoes – 30% Off + Free Delivery!"

Best Practices for SEM

3. Optimize Your Landing Pages

The ad text should:

- Match the user's search intent
- Include a strong Call-To-Action (CTA) like "Buy Now" or "Get Free Quote"
- Highlight benefits or offers (e.g., "Free Shipping", "30% Off Today")

Why It Matters:

- Encourages more clicks
- Improves Quality Score
- Helps stand out from competitors

Always test your landing page on mobile devices—many searches happen on phones.

Best Practices for SEM

4. Align Ads with User Intent

Understand why someone is searching and tailor your ad accordingly:

- Informational: Looking for info (“What is SEM?”)
- Navigational: Looking for a specific site (“Nike store”)
- Transactional: Ready to take action (“Buy running shoes online”)

Why It Matters:

- Better alignment = higher CTR and conversions.

Best Practices for SEM

5. Set a Realistic Budget and Bidding Strategy

You can choose between:

- Manual Bidding (you set the CPC limit)
- Automated Bidding (Google optimizes bids for your goals)

Start with a daily budget that fits your goals and monitor it closely.

Why It Matters:

- Keeps your campaign cost-effective
- Prevents overspending
- Helps you focus on high-performing keywords

Best Practices for SEM

6. Use A/B Testing (Split Testing)

Test two versions of your ads, headlines, or landing pages to see which performs better.

Why It Matters:

- Helps find the most effective message
- Improves performance through data, not guesses

Test one element at a time (e.g., headline vs. CTA) for accurate results.

Best Practices for SEM

7. Use Negative Keywords

Negative keywords prevent your ads from showing for irrelevant searches.

Why It Matters:

- Saves your budget
- Increases ad relevance
- Reduces low-quality traffic

If you sell luxury watches, you can exclude keywords like “cheap watches” or “free watches.”

Best Practices for SEM

8. Track Performance with Analytics

Use tools like:

- Google Ads dashboard
- Google Analytics
- Conversion tracking codes

Why It Matters:

- Lets you see what's working
- Helps you make data-driven decisions
- Improves future campaigns

Track: Clicks, Conversions, Bounce rate, ROI/ROAS

Best Practices for SEM

9. Continuously Monitor and Optimize Campaigns

Check your campaigns regularly and adjust based on:

- Keyword performance
- CPC trends
- Ad engagement
- Conversion rates

Why It Matters:

- Campaigns can decline over time
- Your market or competitors may change
- Optimization keeps you ahead

Best Practices for SEM

10. Target the Right Audience (Location, Device, Time)

Use targeting settings to:

- Focus on users in specific locations
- Prioritize mobile or desktop users
- Schedule ads at the best times (e.g., during business hours)

Why It Matters:

- Prevents showing ads to irrelevant audiences
- Boosts ROI by reaching your ideal customer

Key Takeaways:

- **Search Engine Marketing (SEM)** helps businesses reach users who are actively searching online.
- **Pay-Per-Click (PPC)** is a core part of SEM where advertisers pay only when someone clicks their ad.
- Ads are displayed through **Google Ads** and other platforms based on a **real-time auction system**.
- Ad Rank determines an ad's position and is calculated using: **Bid amount & Quality Score** (relevance, expected CTR, and landing page experience)
- The **highest bid doesn't always win**—quality and relevance matter just as much.
- Advertisers often **pay less than their maximum bid** due to how **Actual CPC** is calculated.
- Using **long-tail keywords**, writing **relevant ad copy**, and designing **effective landing pages improves results**.
- SEM is **measurable, targeted**, and can quickly drive **traffic and conversions**.
- A successful SEM strategy balances **budget control, ad quality**, and **continuous optimization**.

Thank You.

**Search Engine Marketing (SEM)
& Pay-Per-Click (PPC)**

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