# The SaaS Multiplier Method

**The fastest and most reliable way for SaaS companies to multiply their PPC profits**

Steve Gibson

# Contents

# Who is this book for?

This book is for....

**Founders and CEOs** who want to quickly grow their market share without burning through a pile of cash… or are trying to protect their market share against recently-funded competitors who are throwing money around like there's no tomorrow.

**CMOs and Heads of Growth** who have to hit ever increasing trialist targets each month... and are experiencing diminishing returns from "typical" approaches.

**VCs** who have stagnating investment they'd like to kickstart back into high growth.

So, if you fit any of these categories, what you'll discover in the coming pages could be the most transformational thing you read this year.

How transformational?

How about...

# Chapter 1: 643% higher profit in just 7 months

They didn't expect much.

When KashFlow hired me, they'd already been advertising on Google for 8 years. They'd worked with two "big name" PPC agencies. They'd had good results, but hoped I could do a little bit better.

Within 7 months, I'd increased their Google Ads profits by 643%. The company was then sold for **£20 million … double its valuation just 12 months earlier**.

## How did I do it?

I used a strategy I developed over the last 14 years that's based on a unique combination of PPC expertise, copywriting ability, data analysis and marketing strategy.

You see, I didn't start off as a digital marketer.

I started off as a maths and stats guy working for one of the biggest finance and investment companies in Europe.

That taught me data analysis and financial modelling.

Then I transitioned to direct marketing - where I learned direct mail strategies which, when applied to PPC, are incredibly powerful.

(More on this in the next chapter.)

And, finally, I've been managing PPC accounts and writing copy since 2006.

It's a unique CV and one that led me to develop a strategy I call *The SaaS Multiplier Method*.

But, before I reveal that strategy to you, it would be useful to explain...

# Chapter 2: What SaaS companies need to know about direct mail

Chances are, you've never heard of Gary Bencivenga.

He's hardly a household name. But, in the direct marketing world, he's widely regarded as the greatest copywriter of the last 50 years.

He earned that reputation for his ability to consistently "beat the control."

"Beating the control" is when a new version of a marketing message beats the old version in a split-test.

Online, that might be a new Google Ad outperforming your old one in a split-test. Or a new version of a web page beating the new one. Or a different version of an email winning against the existing version…

But, for Gary, it was done in direct mail. His direct mail packages would consistently produce higher sales than those written by other top-level copywriters.

Unsurprisingly, Gary's services were in high demand. So he was able to charge a high up-front fee, plus a royalty.

That royalty was, for every 1,000 copies of his sales packages mailed, he'd receive $50.

Now, $50 does sound like much, but it soon adds up.

In fact, for just one package he wrote - for Rodale Publishing - his royalties were $4.5m.

(And that was back in 1995, when $4.5m was a lot of money.)

So how did Gary earn so much money from this one promotion?

To understand that, you have to understand how direct mail works.

Direct mail companies rent mailing lists. Or, rather, they rent segments of mailing lists, and send test mailings to those segments.

If - and only if - the test mailings are profitable, they rent the rest of the list.

In the case of Gary's promotion - for a book about alternative health remedies - test mailing after test mailing was profitable. So Rodale could mail all the lists in the health industry.

Not only that, but it was also profitable when mailed to lists for finance and other unrelated subjects.

And, by the time they were finished, Rodale had mailed the package to 90 million people.

And 90 million at $50/1,000 = $4.5m royalty.

## So, what on earth does this have to do with SaaS?

It's a principle that almost no-one in the SaaS world understands:

> **SaaS MM Principle 1 - The size of your market is determined - to a large degree - by how much you earn from someone seeing your ads.**

Let me say that again because it's an important, but rarely understood concept: your market is not the number of people who might pay for your SaaS. Instead, it's the number of those people **you can afford to market to**.

Which means, if you can increase your **revenue per ad impression**, a few things happen:

> #1: You can bid more in Google and Bing. That gets you higher ad positions - which means a higher impression share and higher click rates. And higher impression share + higher click rates = far more clicks.
>
> #2: Keywords that weren't profitable now become profitable - so your keyword lists expand - meaning even more ad impressions.
>
> #3: You can expand the reach of your Facebook ads by increasing your bids.

#4: You can go after audiences in Facebook that didn't used to be profitable.

#5: The same thing for twitter ads.

#6: Because you're earning more per visitor, you can steal your competitors' affiliates - because they'll make more from sending the traffic to you instead.

#7: You can go to display networks - not just Google - and run ads across the internet that previously would have been unprofitable.

#8: And, finally, because you're getting more traffic, you can split-test faster. And that means you can improve your ads far faster. And that means higher clickthrough rates - which means more traffic.

That's what I mean when I say **the size of your market is determined - to a large degree - by how much you earn from someone seeing your ads.**

And, later in this book, I'm going to give you a very specific application of this principle within Google Ads - one that can increase your clicks by 700%-1,400%.

But first, let's talk about...

# Chapter 3: The most heartbreaking metric in SaaS

Here's a question…

Imagine 7,407 potential customers go to Google and search on your keywords.

Out of those 7,407, how many paying users would you expect your PPC to generate for you?

Let's find out...

(Now, of course, I don't know your metrics, so I'll use typical SaaS numbers instead.)

## How many even see your ad?

The first step between someone searching and them becoming a paid customer is whether or not they even see your ad.

So let's assume you have an Impression Share of 60%. That means, when people search on your keywords, your ads show 60% of the time.

Well, 7,407 x 60% = 4,444 prospects seeing your ad.

That means, right off the bat, we've lost 2,963 potential customers.

That's not a great start, but let's see what happens with the remaining 4,444...

## How many click on your ad?

Let's say you have a 5% click rate - which is fairly standard.

4,444 people x 5% = 222.

So, from a starting point of 7,407 potential customers, 7,185 have already dropped out of the funnel. That's 97% of prospects who don't even make it to your landing page.

And we're left with just 222.

## What happens on the landing page?

Again, using fairly standard numbers, let's say 15% of prospects like what they see on your landing page enough to click through to your free trial signup form.

That's 33 people.

## And on your signup form?

Or those 33, 20% complete the sign up form and become trialists. That's 7 trialists.

## How many make it through your on-boarding?

But there's one more step before these 7 become paying customers: they have to be successfully on-boarded.

Let's say your on-boarding is fairly typical and converts around 15%.

That means, from the 7 trialists, you'll get one paying customer.

## We have a conversion rate of 0.0135%

So, in this fairly typical funnel, it took **7,407 people searching on your keywords to produce one customer** from PPC.

That means the search-to-customer conversion rate (STCC) is just 0.0135%.

Now, you can repeat this exercise for your own SaaS - using your metrics. Your STCC might be lower, or it might be higher.

Either way, chances are, it takes thousands of searchers to generate just one customer.

In this short report, I'm going to give you a strategy that'll increase your STCC.

Not only that, but it'll cut your customer acquisition (CAC) cost AND increase your customer lifetime value.

So you'll be getting far more paying users, who'll be spending more money - AND you'll be getting them at a lower CAC.

How is this possible? By understanding...

# Chapter 4: The 8 ways to grow a SaaS PPC funnel

A typical SaaS customer journey looks like this:

#1: Someone does a Google search and they see your ad.

#2: They click on your ad.

#3: They arrive on your landing page, like what they see and click through to your signup form.

#4: They complete the form and are now a trialist.

#5: They go through the on-boarding process and decide to become a paying customer.

#6: They choose a package that's $X/month.

#7: They stay for Y months.

#8: They spend $Z on additional products and services.

That's a pretty typical SaaS PPC funnel, right?

So that takes us to the first principle of the SaaS Multiplier method…

Every single one of those 8 steps the prospect goes through **is a process that can be measured, tested and improved**.

And that takes us to the second principle of the SaaS Multiplier Method...

> **SaaS MM Principle 2 - You have 8 ways to grow your SaaS PPC revenue.**

Which leads us to the third principle…

> **SaaS MM Principle 3 - These improvements multiply each other like compound interest.**

Let’s look at that principle by plugging in our “typical SaaS numbers” from the first chapter of the book, plus typical numbers for churn and revenue...

| Stage | Metric | |
|---|---|---|
| 1 | Impression share | 60% |
| 2 | Click rate | 5% |
| 3 | Click to form % | 15% |
| 4 | Form completion % | 20% |
| 5 | Conversion from trial to paid % | 15% |
| 6 | Monthly subscription $ | $40.00 |
| 7 | Lifespan (months) | 20 |
| 8 | Other products and services | $200.00 |

Now,using these numbers, let’s see how visitors/money flow through the system. For the sake of illustration, we’ll use 200,000 impressions as our base.

| Stage | | | |
|---|---|---|---|
| 1 | Possible impressions | | 200,000 |
| 2 | Actual impressions | 60% impression share | 120,000 |
| 2 | Visitors | 5% click rate | 6,000 |
| 3 | Form visitors | 15% click to form | 900 |
| 4 | Trialists | 20% form completion | 180 |
| 5 | Paid users | 15% conversion from trial to paid | 27 |
| 6 | Monthly subscriptions | $40/month | $1080.00 |
| 7 | Lifetime subscriptions | 20 months | $21,600.00 |
| 8 | Other revenue | $200/customer | $5,400.00 |
| | Total Revenue | | $27,000.00 |

So from 6,000 clicks, you're earning $27,000. That means you're earning $4.50/click. Which might be a good thing… might be a bad thing. It depends on your cost per click.

It also tells us that...

- You’re making **13.5c per available impression.**
- **For every 222 people who come to your website, only 1** is willing to pay for your software.
- **And, as we saw in chapter 1, for every 7,407 searches on your keywords, you get just one paying customer**.

So, what happens if you improve your marketing by just a little bit?

# Chapter 5: How to multiply your profits even if you suck at marketing

In the last chapter, we looked at the 8 steps of a typical SaaS funnel. We also saw how few visitors make it to the end of the funnel - and how much revenue a typical SaaS company is letting slip through its hands.

So let's look at how to fix that…

But, rather than show you what's possible with good marketing, let me show you **what's possible with bad marketing** - if you have the right strategy.

You see, even if you suck, you can still act like a dog with a bone and keep testing random stuff.

So let's imagine that, for 6 months, you doggedly try to improve each of the 8 steps.

And by working hard - without working smart - you improve each one by 20%. That's usually very easy to do.

So let's see what that does to the numbers in chapter 4…

| Stage | Metrics | Old metric | New metric - 20% better |
|---|---|---|---|
| 1 | Impression share | 60% | 72% |
| 2 | Click rate | 5% | 6% |
| 3 | Click to form % | 15% | 18% |
| 4 | Form completion % | 20% | 24% |
| 5 | Conversion from trial to paid % | 15% | 18% |
| 6 | Monthly subscription $ | $40.00 | $48.00 |
| 7 | Lifespan (months) | 20 | 24 |
| 8 | Other products and services | $200.00 | $240.00 |

And, thanks to these small improvements, the flow of prospects and money through your funnel becomes…

| Stage | | | |
|---|---|---|---|
| 1 | Possible impressions | | 200,000 |
| 2 | Actual impressions | 60% | 144,000 |
| 2 | Visitors | 6% | 8,640 |
| 3 | Form visitors | 18% | 1,555 |
| 4 | Trialists | 24% | 373 |
| 5 | Paid users | 18% | 67 |
| 6 | Monthly sub | $48 | $3,224 |
| 7 | Lifetime subs | 24 months | $77,397 |
| 8 | Other revenue | $240/head | $16,124 |
| | Total Revenue | | $93,521 |

So revenue has increased from $27,000 to $93,521 - an **increase of 246%**.

You're getting **67 paying users** instead of 27 - an **increase of 149%**.

You're **earning 46.7c per impression** - up from 13.5c.

It now only takes **129 visitors** to get a paid customer. (Down from 222)

And it only takes **2,977 Google searches** to get you a customer. (Down from 7,407.)

All because you had the right strategy and executed relentlessly. Which takes us to SaaS MM principle #4...

> **SaaS MM Principle 4 - Relentlessly working the 8 metrics - even without much skill - will get you a long way in just 6 months.**

But if you notice, while revenue increased 246%, the number of clicks only increased 44%.

Which leads to SaaS MM principle #5

> **SaaS MM Principle 5 - Improving all 8 metrics will increase revenue far faster than it increases your click cost.**

And that's really key, as we see in the next chapter, when we look at profit…

# Chapter 6: What does this mean for profit, payback period, and burn rate?

Going back to our numbers in Chapter 4 - before we made our improvements - we had revenue of $27,000.

So now let's talk about cost…

Let's say our company has a 2:1 return on ad spend (ROAS), that means we spent $13,500 on clicks.

And that $13,500 generated 27 paid users. Those users cost $500 each to acquire.

So what did we get for our $500? We got a customer who will, on average, spend $40/month for 20 months - and, at some point, spend $200 on some additional product or service. A total of $1,000.

So, let's divide that $1,000 by 20 months and say our average customer is worth $50/month for 20 months.

### How long does it take to recover our acquisition cost?

If we assume churn is a constant 5% - so, every month, 5% of the remaining customers will leave.

That means, if we bring in 10 customers - costing us $5,000 - our revenue from those customers will be:

| Month | This month's revenue | Total revenue |
|---|---:|---:|
| 1 | $500.00 | $500.00 |
| 2 | $475.00 | $975.00 |
| 3 | $451.25 | $1,426.25 |
| 4 | $428.69 | $1,854.94 |

| | | |
|---|---|---|
| 5 | $407.25 | $2,262.19 |
| 6 | $386.89 | $2,649.08 |
| 7 | $367.55 | $3,016.63 |
| 8 | $349.17 | $3,365.80 |
| 9 | $331.71 | $3,697.51 |
| 10 | $315.12 | $4,012.63 |
| 11 | $299.37 | $4,312.00 |
| 12 | $284.40 | $4,596.40 |
| 13 | $270.18 | $4,866.58 |
| 14 | $256.67 | **$5,123.25** |

As you can see, our payback period is 14 months.

So, for the first 13 months, we'll be cash flow negative. It's only in month 14 that we've recovered our advertising costs.

Or, to put it another way, in February this year, we still wouldn't have recouped our advertising costs from January last year!

## What happens after 20% improvements?

Now, let's look at the same metrics after our 20% improvements.

We got 44% more clicks - so that means our cost has increased to $19,440.

Our revenue is $93,521, so our profit is $74,081.

That means we've gone from…

| | Spend | Revenue | Profit |
|---|---|---|---|
| Before | $13,500 | $27,000 | $13,500 |
| After | $19,440 | $93,521 | $74,081 |

**We've increased profit by $60,581 - a 349% increase.**

## Looking at CAC, LTV and ROAS

And we brought in 67 paid customers, so our cost/customer was $290.15. So our **customer acquisition cost (CAC) has reduced by 42%**.

And, for our $290, we get $48 for 24 months plus additional sales of $240. This is a lifetime value (LTV) of $1,392.

That's up from $1,000, so an increase of 39.2%.

And what happens when you cut CAC by 42% and increase LTV by 39%?

Our ROAS goes from 2:1 to 4.8:1. Or, to put it another way, we've gone from making 100% profit on our ad spend to making 380% profit.

## Our payback period gets slashed in half

Now, if we divide $1,392 by 24 months, we get $58/month.

So now how long does it take to recover our acquisition cost?

Well, getting 10 customers now costs only $2,901.50. And, with an average lifespan of 24 months, our churn is only 4.2% per month.

So, for the first 14 months, our revenue looks like this:

| Month | This month's revenue | Total revenue |
|---|---:|---:|
| 1 | $580.00 | $580.00 |
| 2 | $555.64 | $1,135.64 |
| 3 | $532.30 | $1,667.94 |
| 4 | $509.95 | $2,177.89 |

| | | |
|---|---|---|
| 5 | $488.53 | $2,666.42 |
| 6 | $468.01 | **$3,134.43** |
| 7 | $448.35 | $3,582.78 |
| 8 | $429.52 | $4,012.31 |
| 9 | $411.48 | $4,423.79 |
| 10 | $394.20 | $4,817.99 |
| 11 | $377.64 | $5,195.63 |
| 12 | $361.78 | $5,557.42 |
| 13 | $346.59 | $5,904.01 |
| 14 | $332.03 | $6,236.04 |

So we've gone from a payback period of 14 months to just 6 months.

And, by month 14, we've already exceeded 2:1 ROAS.

All by making a handful of small improvements.

Now think about what that does to your burn rate and runway. Rather than having money tied up for 14 months, it's only being tied up for 6 months.

That's 8 months of money freed up to be used on other growth channels.

That's good news for you,  good news for your CFO, and good news for your investors.

And it's great news if you're looking for more investment. Partly because you'll need less money, and partly because your investors will see a fast-growing company that's low risk.

## Why I was able to increase profits by 643% in just 7 months

So now are you seeing why I  was able to increase KashFlow's PPC profits by 643% in just 7 months? It wasn't brilliance, it was just knowing which levers to pull.

(And many years' experience pulling those levers.)

So this is the SaaS multiplier method in a nutshell. But there are a couple of other elements to cover.

But, before we get into that, let's look at…

# Chapter 7: The SaaS Multiplier Method in reverse

We saw in Chapter 3 ("The most heartbreaking metric in SaaS") that, in a typical SaaS funnel, it might take 7,407 searches to produce just one paying customer.

And we saw how, with a few small improvements, you can reduce this to 2,977.

And how these changes can increase revenue by 246%.

(And that's with just 20% improvements.)

But there's another way of looking at this…

If you DON'T use the SaaS Multiplier Method, for every dollar you SHOULD be bringing in, you only bring in 41c.

Or, to put it another way, if you're currently spending $100,000/month on Google Ads, you could get the exact same result from spending just $41,000.

Which means that, on a spend of $41,000, you're paying an "inefficiency tax" of $59,000.

So, whether you're motivated by the carrot (more trialists, more paying users, more profit) or the stick (low ad positions, limited traffic, overpaying for trialists, trialists not turning into users, cashflow problems), this method will take you where you want to go.

So far, we've talked about how to get there with 20% improvements. But, as I've said, 20% improvements are easy.

So let's talk about how to increase your clickrate by 700%-1,400%... without changing a word in your ads.

# Chapter 8: The "inflection point" within Google Ads

Did you know it's possible to increase your clickrate in Google Ads by 700%-1,400%... without changing a word of your ads?

This might sound unbelievable, but let me explain...

## The #1 predictor of click rate

In the search results page (SERPS), Google runs text ads in 2 positions: top of the page and bottom of the page. Typically, you'll see 4 ads at the top and 3 or 4 at the bottom

These two areas of the page get very different click rates. In fact, ads at the top will typically get 8-15 times the click rate of ads at the bottom.

That's because few people scroll down the page. Which takes us to…

> **SaaS MM Principle 6 - Ad position is the #1 predictor of click rate.**

Let me spell this out: There's nothing you can do that'll increase click rate more than moving your ad a few slots up the page.

## Are your ads invisible?

So we just saw that click rate is 8-15 times higher at the top of the page than the bottom.

This means, if your ads are showing at the bottom of the page, you're automatically missing out on 88% - 94% of the market.

Or, alternatively, if your ads always show at the bottom of the page, and you move them to the top, **you can multiply your traffic by 8-15 times**.

And this takes us to...

> **SaaS MM Principle 7 - If you want to maximise your market share, you need to have your ads show at the top of the page.**

That's because anything else makes you a bit part player in your market.

## So how do you get to the top of the page?

Google orders ads according to the formula: **bid price x quality score**.

In the next chapter, I'll give you a quick primer in quality score. But here's the thing about quality score: Once you've had an expert optimise quality score, it's hard to optimise it further.

You can move the needle a little by split-testing ads and increasing your clickrate, but you'll soon find you get diminishing returns.

So, if you can only do so much with quality score, how do you get top ad positions?

By out-bidding your competitors.

It's as simple as that. Which is why SaaS MM principle 8 is the most important principle...

> **SaaS MM Principle 8 - The way you win the game of PPC is to EARN more per visitor than your competitors… then using that money to OUTBID THEM and dominate your market.**

And this is why the SaaS MM is so focused on landing pages, forms, on-boarding, client retention, up-selling, cross-selling…

All these things increase your visitor value - which means they allow you to increase your bids. And, when you increase your bids, you can multiply your clicks.

But, what about the other half of the bid price x quality score formula?

# Chapter 9: A quick primer in quality score

In my book, *The PPC Multiplier Method*, I spend 6 chapters explaining quality score.

In this book, I'm going to give you the tl;dr version.

Here goes...

### #1: Google ranks ads according to the formula bid price x quality score

Imagine there are just 3 advertisers:

| Advertiser | Bid | Quality Score | Bid price x QS |
|---|---|---|---|
| A | $1.00 | 7 | 7 |
| B | $1.50 | 4 | 6 |
| C | $0.90 | 8 | 7.2 |

In this example, advertiser C would show at the top, followed by advertiser A, followed by advertiser B.

So, even though advertiser C is bidding the least, he gets the best position. And, the highest bidder – advertiser B – is placed last.

(Note: if you use one of Google's automated bidding options, Google will assign you a bid level bid based on its algorithm. So, if you have a CPA bid of $100 and Google thinks the searcher has a 2% chance of converting, Google will bid $2 on your behalf.)

### #2: How much you actually pay is:

Your actual cost per click will be less than your bid. It'll be:

> Cost per click = (The bid of the advertiser below you x his quality score / your quality score) + $0.01

OK, that's a mouthful, so let's see an example...

Going back to our previous example, the advertisers were ranked like this:

| Advertiser | Bid | Quality Score | Bid X QS |
|---|---|---|---|
| C | $0.90 | 8 | 7.2 |
| A | $1.00 | 7 | 7 |
| B | $1.50 | 4 | 6 |

So the top advertiser, C, would pay:

($1.00 x  7 / 8) + $0.01 = $0.88

The middle advertiser, A, would pay:

($1.50 x 4 / 7) + $0.01 = $0.86

**#3: Quality Score is** based on a combination of click rate, ad relevance and landing page quality.

When someone types a search query into Google, Google wants to return relevant results. That's not just the organics, but also includes the ads.

**#4: Landing page quality is** a mix of relevance to the search query, loading times and "clear business practices."

**#5: Ad relevance is** more complicated than just "put your keywords in the ad" - though you should put your keywords in the ad. But having the "wrong" words in your ad can kill your relevance.

**#6: Google's not very good at figuring out what's relevant**.

You can have ad text that's super-relevant, but get low ad relevance. Same with landing pages.

If this happens, don't go crying to Google. They don't care. Instead, figure out why it's happening and change it.

**#7: Google heavily rewards relevance and heavily punishes lack of relevance**

Imagine your competitor is $1 and has a quality score of 7/10. How much would you have to bid to match their ad rank?

| Your Quality Score | Bid Required |
|---|---|
| 1 | $7.00 |
| 2 | $3.50 |
| 3 | $2.33 |
| 4 | $1.75 |
| 5 | $1.40 |
| 6 | $1.17 |
| 7 | $1.00 |
| 8 | $0.88 |
| 9 | $0.78 |
| 10 | $0.70 |

As you can imagine, if your competitor is paying $1 for a click and you have to pay $3.50 - or $7 - it's pretty hard to compete.

**#8: As well as impacting** your ad position and cost per click, Quality Score also controls your impression share - the percentage of time your ads are shown.

This works in two ways:

(A) If you have too many competitors with superior ad ranks, they push you off page 1.
(B) If your quality score isn't good enough to meet Google's minimum standards for that search term, you won't get shown.

The latter is why you sometimes do searches and there are only a few ads on the page.

**#9 Imagine you had** QS = 6 for all your keywords and you were spending $100,000 a month to generate signups worth $200,000.

Well, if you improved your quality scores to 7, you could buy the same traffic for 6/7 of that amount: $85,700.

That means your monthly profit would increase from $100,000 to $114,300 - a 14.3% improvement.

**#10 The quality score you see** in your account is not your quality score. In reality, quality score is calculated in real time as an intersection of the search query, your ad, landing page, user location, user search history, time of day…

At best, what you see in the account is an approximation of an average quality score for someone doing an exact match search on that keyword.

So that's an explanation of how Quality Score works - and why it's so important if you want to dominate your market.

And now let's look at another important part of your PPC: your clickthrough rate.

Or, more specifically…

# Chapter 10: How to write PPC ads that arouse intense interest

In this chapter, I'm going to share a key lesson about ad writing - and one that's particularly relevant to SaaS PPC.

It's based on a book written 54 years ago.

That book is *Breakthrough Advertising* by Eugene Schwartz, and it's been described as a "PhD course in copywriting."

It's the book that introduced the concepts of "stages of awareness" and "stages of sophistication" - two of the most important ideas in marketing.

And I'm going to take the first of those - "stages of awareness" - and show how it applies to Google Ad writing.

(If you want to know about states of sophistication - another key idea - you can get a copy of the book. As I write this, there's a second hand copy available for $266 on Amazon.)

## Stages of awareness explained

According to Schwartz, there are 5 stages of awareness:

1. **The Most Aware:** Your prospect knows your product, desires it, and only needs to know "the deal."
2. **Product-Aware:** Your prospect knows what you sell, but isn't sure it's right for him.
3. **Solution-Aware:** Your prospect knows the result he wants, but not that your product provides it.
4. **Problem-Aware:** Your prospect senses he has a problem, but doesn't know there's a solution.

5. **Completely Unaware:** No knowledge of anything except, perhaps, his own identity or opinion.

## The thin line between indifference and intense interest

And - and this is the most important thing to understand - Schwartz writes:

> “Each of these stages is separated from the others by a psychological wall. **On one side of that wall is indifference; on the other, intense interest**.
>
> A headline that will work wonders in the first stage- for example, "Dial Soap- 90c a cake” - will fail completely when addressed to a third-stage market where your prospect doesn't even realize that soaps can be made with built-in deodorants.”

(Remember, Gene was writing this in 1966.)

So, when writing PPC ads - and landing pages - it’s vital that you understand your prospect’s state of awareness - and how that varies by keyword.

## An example

Let’s say your company is called ForestSeller and you offer Amazon seller software.

So this is software to help Amazon sellers get more traffic to their listings and make more sales.

Let’s look at some of the keywords you might bid on in Google...

**Keyword: “ForestSeller discount code”**

Stage of awareness: stage 1. They want your software and they’re looking for the best deal.

Your ad should be either about a discount, a special offer, or emphasise low price.

**Keyword: “ForestSeller reviews”**

Stage 2. They know about your software, but they’re not sure it’s right for them.

Your ad could invite the prospect to read testimonials. Or, alternatively, offer to show them a feature-by-feature comparison between you and your competitors.

**Keyword: “Amazon seller software”**

Probably stage 3. They know there is Amazon seller software, but they don’t know which one they’re interested in.

However, it could be stage 2: They could know about you, but do not believe you’re right for them.

Given this is your “bullseye keyword” - the one that best describes what you do - you can just write a “standard” USP-driven ad that shows him why he should click through to your website, rather than your competitors’.

**Keyword: “Jungle scout”**

Again probably stage 3. Jungle Scout is one of your competitors. So your prospect knows there are SaaS solutions, but probably doesn't know about your product.

But, again, it could be stage 2: They could know about you, but do not believe you're right for them.

Your ad should either offer them a comparison between you and Junglescout, or position you as similar to Jungle Scout but superior in some way.

**Keyword: "how to sell more on Amazon"**

This is stage 4. The prospect knows they have a problem - they want to sell more. But they're not looking for a specific type of solution.

Your ad should promise to show them how to sell more on Amazon.

These examples should give you an idea of how to identify a keyword's stage of awareness and how to align your ad writing with that.

## One last thing...

You may have noticed my examples didn't have any stage 5 keywords.

That's because they're really hard to make work in Google search.

But an example of stage 5 might be to go after a keyword like "Tim Ferriss" and connect the idea of selling on Amazon with the ideas in Tim's book, *The 4 Hour Workweek*.

It's not something I'd normally recommend - unless there was a huge untapped market and you could get really cheap traffic.

But it’s an example of how to connect your product to someone’s identity.

(In this case, Tim’s fans.)

## Summary

Being oblivious to the prospect’s stage of awareness is one of the biggest PPC mistakes I see SaaS companies make.

And fixing that problem - in both your ads and your landing pages - can get you an immediate boost in clickrates, quality scores and conversion rates.

OK, so far we’ve learned that, if you want to multiply your PPC profits, you need to work on multiple levers.

We’ve learned that you can increase your clicks by 8-15x if you move your ad from the bottom of the page to the top.

And we’ve learned how quality score works.

And how to write ads that are targeted to your prospects’ stage of awareness.

But, I have a confession to make...

# Chapter 11: A PPC disclaimer

In this book, I'm giving you a simplified version of a complicated process.

I'm doing this so the book isn't full of caveats and impossible to follow.

So let me address one of those complications in this chapter...

Earlier, I simplified the "ppc part" of the system to "**maximise clicks by optimising impressions x impression share x click rate**."

But that's now how you'd implement this in real life.

In real life - assuming the account structure is already well optimised - one of the first things you do is identify wasted spend.

"Wasted spend" is any spend that isn't hitting your ROAS target - and isn't likely to hit that target any time soon.

It's usually for low-value search terms that either...

> (A) don't produce trialists
>
> or
>
> (B) produce trialists that don't convert to paid
>
> or
>
> (C) produce paid users with low lifetime value.

Or, it's expensive traffic which brings in good customers, but the customer acquisition cost is too high.

In both cases - particularly the latter case - we may return to those keywords later, once we've made the funnel more profitable.

But, right now, it makes sense to cut this spend.

And what happens?

Well, our impressions will go down. Our impression share may also go down. And so might our click rate.

And that takes us to the point of this chapter...

We’re not slaves to maximising *impressions x impression share x click rate*.

We’re not trying to optimise these numbers for the sake of optimising them.

We reduce spend where it makes sense to reduce spend - whether it’s eliminating keywords, adding negative keywords, or reducing bids.

And, usually, I find we can shave 10-20% off spend without harming profit.

I just don’t mention this elsewhere in the book because, compared to the growth side of the SaaS Multiplier Method, this 10-20% is relatively unimportant.

So, with that cleared up, you might be wondering...

# Chapter 12: What about the product?

I'm the "maximise your PPC success" guy, so I haven't said anything about product.

But, in this chapter, I'll make a few comments - from a marketer's perspective…

In the newsletter business, there's a saying, "Marketers sell subscriptions, editors sell renewals."

Well, in the SaaS business, we could say, "***Marketers sell sign-ups, product designers sell renewals***."

Or, to put it another way: the easiest thing to sell is something that's worth buying.

## "Your PPC manager is the jockey, your product is the horse"

Remember Gary Bencivenga? He was the copywriter who earned a $4.5m royalty on one sales package.

Well, Gary wrote a great article about the importance of the product.

You can - and should - read the whole thing here:

https://marketingbullets.com/bullet-19/

In it, Gary quoted Bill Bernach - one of the titans of Madison Avenue:

> "Advertising doesn't create a product advantage. It can only convey it…No matter how skillful you are, you can't invent a product advantage that doesn't exist."

Gary also wrote:

> "If you're settling for a "me-too" product and hoping that a gifted copywriter will carry you on his or her back to the winner's circle, you're kidding yourself. *Your product is the horse; your copywriter is only the jockey.* Yes, good jockeys are worth their weight in

> gold. But champion race horses are worth much more. It's your job to breed champion race horses.
>
> Remember that most businesses make real money only on *repeat sales.* While a good copywriter can make a prospect *hopeful* enough to try a product, he or she can't make that customer *delighted* enough to buy it again. Only you and your product can do that."

And:

> "[It's] your mission to come up with a product so inherently superior that, as soon as it's effectively explained, demonstrated, or sampled, your prospects have no conclusion to draw except *'I want it!'*
>
> Create *'Wow!'* products like this, add in great customer service, and something magical happens. Your customers become your auxiliary sales force—a large, unpaid, ever-growing army of raving fans who extol your product to others, causing your market and profits to grow far more effectively than any copywriter can."

The point is clear: a 3rd rate (or even 2nd rate) product will hurt the economics of your business. You'll end up with lower conversion from trial to paid, and shorter customer lifetimes.

Those things are the opposite of the SaaS Multiplier Method.

Now, having said this, because the SMM is about multiplying the results you're <u>already</u> getting, you don't need to improve your product to make it work.

Just that, if you *do* improve your product - in a way your customers value - everything in business becomes easier... especially your marketing.

# Chapter 13: How to implement the SaaS Multiplier Method

The truth is, you can implement the SaaS Multiplier Method any way you want.

That's because the improvements multiply. And, as we know from primary school, A x B= B x A.

So working on your on-boarding, then on your PPC click rate will get you to the same place as working on your click rate, then your on-boarding… and so on.

But, having said this, I'm going to suggest a particular approach...

## Step #1: Create a full funnel analysis

I'm a believer that you can't optimise what you don't measure. So, to start with, I suggest you create an analysis of your whole PPC funnel.

If you map the flow of prospects and money through your funnel, you'll get a clear picture of

* How the funnel is performing

* How it *could* be performing

* *Where* the major leaks are

* *Why* the leaks are happening and ideas to plug them

For this, you'll need your PPC account, your analytics, and whatever tools you use to track your trialists and customers.

Then you piece together the information from each source so you have a clear picture of what's going on.

To give you an idea of the depth of detail you should go into, when I create reports like these for clients, the report will typically be 12-15 pages long.

So it's a lot of work, but it's worth it because this document will be your roadmap.

## Step #2: Put one person in charge

In my 14 years of PPC, I've found best results happen when the whole funnel is aligned.

That means…

* Your ad speaks to the intent of the search query

* Your landing page continues the message in your ad

* Your signup form repeats the promise on the landing page

* And you on-boarding is focused on delivering that promise

i.e. each step continues the message from the step before.

But, too often - especially in larger SaaS companies - different teams work on each stage.

So your PPC manager drives traffic to a page written by someone else. The user clicks through to a general signup form, which puts them into a general on-boarding sequence.

That leads to disconnects in the message. Disconnects and broken promises.

And those disconnects create leaks in your funnel.

So I believe the best approach is to have one person who is overseeing the whole PPC funnel.

That way…

#1: They can ensure the consistency of the message.

#2: Whatever lessons you learn from split-tests can be applied to every stage in the funnel.

### So who should be in charge?

It could be your CMO or your head of growth. Though these people tend to have too many other responsibilities.

What you're looking for is someone with expertise in the following 4 fields:

#1: Marketing strategy

#2: Data analysis

#3: PPC

#4: Copywriting and conversion optimisation

That way, they're able to continually evaluate progress and adjust the plan based on that progress.

## Quarantining the SaaS Multiplier Method

Now, you might be wondering, with all this SaaS Multiplier Method stuff going on, what about the rest of your marketing? Will it be impacted?

Well, yes and no. Let me explain...

I'm a believer in "quarantining" your PPC traffic - i.e. using different landing pages, a different sign up form, different on-boarding.

So, if you have some PPC traffic going to your homepage, make a copy of your homepage and use that copy just for PPC.

Same with your sign up form, etc.

So when the PPC team is split-testing different versions of these pages, the tests will only be run using PPC traffic.

Now, of course, when they get split-test winners, they should share the results with other teams - who can, should they choose, run the same tests for non-PPC traffic.

(And, of course, those other teams will share their own split-testing success with the PPC team.)

That way, the business can get the maximum advantage from the SaaS Multiplier Method testing - but without risk to other traffic sources.

The best of both worlds.

# Summary

In this report you discovered…

- The size of your market is determined - to a large degree - by how much you earn from someone seeing your ads
- The 8 ways to grow a SaaS PPC funnel.
- How small improvements multiply like compound interest.
- How relentlessly working on all 8 metrics - even without much skill - will produce huge increases in revenue in just 6 months.
- How this approach will increase revenue far faster than it increases your click cost.
- What that'll mean to your payback period, your burn and your runway.
- How ad position is the #1 predictor of click rate and how moving your ad from the bottom of the page to the top will get you 8-15 times as many clicks.

And, finally, that **the way to win at PPC is to earn more per visitor than your competitors… and use that advantage to outbid them**.

## The next step is yours

You just learned what I believe is the fastest and most reliable way to grow a SaaS PPC funnel.

Now you have three choices…

You can think, "That was a fun read," and go back to what you were doing.

Or you can take this information and apply it to your business. If you do this, you should get excellent results.

But there’s a third choice…

You could have me help you implement the strategy.

I’ve been optimising PPC accounts & funnels since 2006. That’s 15 years of learning what does and doesn’t work.

With that experience, I should be able to get you better results - and get them faster - than if you implement this strategy yourself.

You can find out about my services here:

https://www.saasmultipliermethod.com/services/

Best wishes,

Steve Gibson

P.S. If you found this book useful, please share it.

P.P.S. If you’d like to follow me online, you’ll find me on linkedin here:

https://www.linkedin.com/in/steve-gibson-marketing/

And I post regular SaaS marketing tips on my blog:

https://www.saasmultipliermethod.com/blog/