The Definitive Guide to Google AdWords

Create Versatile and Powerful Marketing and Advertising Campaigns

Bart Weller and Lori Calcott

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Contents at a Glance

Introduction

We often hear that the Internet has changed the world. It has most certainly changed the worlds of advertising, retail, news, and magazine and book publishing, and Google has played a central role in this change. If one were asked to fill in the blank in the sentence "Google is a(n) _____ company" with what they feel is the most descriptive word, very few would choose the word *advertising*. A more likely choice would be *search* or *technology*. But in the context of its business regime and its revenues, an argument could be made that it is predominantly an advertising company.

One effect that online advertising has had on the Internet economy is enabling small to medium businesses (SMBs) to become viable participants in the online ad arena along with the heavy hitters. A small business with a limited ad budget—and with a well-tuned AdWords campaign—can compete with the big guns on the same Google search results page. This is because the real-time auction-based system used by AdWords for determining ad position uses both keyword and landing page quality scores, on the one hand, and keyword bids, on the other. And quality scores count for a lot in this system. This relatively new ad technology doesn't level the playing field entirely; big advertising budgets and the consequent ability of the large retailers to mount very effective campaigns still count for a lot. But the system does give the SMBs a better entrée than is the case with traditional media channels. Market analysts tell us that online consumer purchases continue to accelerate in comparison to in-store purchases, so we think this comparative leverage of the SMBs in the online arena can be expected to grow in importance.

Who This Book Is For

This book is for readers who are comfortable with computers and the Internet, and who have a reason and desire to get up to speed with the advertising side of Search Engine Marketing (SEM)—more specifically, Google AdWords. It doesn't cover Search Engine Optimization (SEO), the other side of SEM. We don't assume previous familiarity with AdWords, but by the time you finish reading the book, you should be comfortable with setting up and managing an AdWords account or working closely with a web marketing agency to manage your account. We see our primary audience as those who: a) own or manage SMBs and who would like to develop a strong and effective online ad campaign; b) work in online marketing; or c) would like to learn and understand AdWords technology for any other reason. The book is written at the beginner-to-intermediate level, but in many places it will require some focus and careful study. To make this easier, we often walk through examples of how to set up and use tools and interfaces in AdWords and Google Analytics.

Let us stipulate up front that AdWords is not simple. If you are new to the culture and vocabulary of online advertising, AdWords can seem … well, excessively complex and arcane. If anyone tells you that the AdWords system is simple, you should head for the door, keeping a tight grip on your wallet. Like most complex systems, AdWords takes time and careful study before you will begin to feel conversant with the system. But please take our word for it: if you invest the time and effort, you should be repaid with a higher level of comfort and understanding.

AdWords with Google Analytics are a powerful combination, and few if any books on the market address how the two can work in tandem. This book takes the extra step to explain where you can find data within Google Analytics to help you understand results from your AdWords campaigns. Understanding the capabilities of both tools and how they can work together gives you a more complete picture. We feel you shouldn't start an AdWords campaign without capturing data in Google Analytics for more in-depth analysis. If you have already ventured into the world of Google Analytics, this book should be a great jumping off point.

Things Just Keep Changing

One of the difficulties we've had to contend with in writing this book has been the rapid pace of change in online commerce and advertising technology. This is especially true in the cases of AdWords and Google Analytics. On any number of occasions, we have had to go back and rewrite sections of the book we thought we finished weeks earlier because of changes, enhancements, or new tools and features introduced by Google in the course of our writing. We don't expect this pace of change stop after the book is released, of course, which means that some of the things we describe may not entirely jibe with the current state of the AdWords system by the time you read this. There is nothing to be done about this, other to forewarn the reader. If you find some of the reports or interfaces in AdWords, Google Analytics, or other tools to look or perform a little differently than what you see in these pages, we recommend using Google's excellent help system to help you understand these changes. There are many places throughout the system ("Learn more" links or question mark glyphs are one example) where you can find contextual help. The content of the book will usually convey the general intent and functionality of a feature or tool, even if some of the details have changed, so you should be able to use these help features to fill in the gaps when there are obvious changes not covered by the book. The AdWords Help facility (`http://support.google.com/adwords`) is an excellent resource for tracking down information, and the Inside AdWords Blog (`http://adwords.blogspot.com`) is a good place to go for announcements of new tools or enhancements.

Conventions

As with most Apress books, there are up to five levels of headings throughout this book. Chapters are organized into hierarchical sections, and each section has a heading according to its level. Here is what each heading level looks like, going from the highest to the lowest level:

Heading Level 1

Heading Level 2

Heading Level 3

Heading Level 4

Heading Level 5

As a rule, there will be a few major sections in each chapter, each with a level 1 heading, under which there will be a number of level 2 headings, and so forth. Following the Apress style guidelines, we don't number the sections, but you should be able to tell what level a particular section is at simply from the heading.

We often discuss or present procedures in an informal exercise format, so that the reader can follow along in their own AdWords or Google Analytics account. For this reason, we recommend that you create these accounts early on if you don't already have them. Because of the wealth of different features and facilities, and the large number of tools available, there is a lot of learning value in working hands-on with the interface. Occasionally we will have a section called "The How-To" for more involved or detailed procedures. Here again, following along on your computer is a good way to go.

We often use a lot of short hypothetical examples to help illuminate a feature or facility. However, many of the figures or screen shots in these discussions are taken from reports and screens of real-world accounts. This helps make the illustrations in the book more realistic, but in many cases we have obscured or grayed-out any information that could identify a client, for obvious reasons. We hope this doesn't detract from the illustrative value of the figures, but if it does, we ask for your forgiveness in these occasions. We're sure you understand the necessity of protecting client identities.

Contacting the Authors

Should you have any questions or comments—or spot a mistake you think we should know about—you can contact either of the authors at the following e-mail addresses:

Bart: wellerbart0@gmail.com
Lori: lori@webshine.com

SEM and the Google Ecosystem

This chapter provides an overview of Internet marketing technology, and more specifically what pay-per-click and search engine marketing are all about. Since you have this book in hand, you probably already have at least some knowledge—and perhaps some experience—in this area, but it never hurts to step back and review the subject from a high-level perspective. Internet marketing is still a rapidly evolving field in terms of the technology and its application. As with all technologies, it has developed its own culture and vocabulary.

A Short History of Search Marketing

Marketing (in the shape of advertising) has been with us for a long, long time—thousands of years, in fact. Many scholars of marketing history speculate that the town crier probably represents the earliest form of advertising, plying his craft well back into prehistoric times. A written ad distributed in Thebes around 3,000 years ago asked for the return of a slave: "... For his return to the shop of Hapu the Weaver, where the best cloth is woven to your desires, a whole gold coin is offered...." In the ancient ruins of Herculaneum, destroyed in the eruption of Mt. Vesuvius in 79 AD, there is a wine shop with a mural showing differently colored wine flasks with a price next to each.

Targeting

One trend that has been consistent over the ages is that advertisers have had increasing opportunity and capability for targeting their audiences. In the days of the town crier, most within earshot heard what he had to announce… er, cry. When pubs and shops in medieval London hung out their shingle over the sidewalk, they were visible to all who happened to stroll by—commoners and lords, adults and children alike—no targeting whatsoever, except, perhaps, by proximity. As the printing press caught on, some forms of targeting began to happen, but primarily in the way content was distributed. Nearly every newly

invented form of communication (except perhaps the telegraph—what we might call a *unicast technology*) eventually became a medium of commercial persuasion.

Radio and television are broadcast media but they lent themselves only to the most imprecise forms of targeting in the early days. All who tuned in heard the same ad for Martha White Hot-Rize Biscuits regardless of their demographic. The same could be said of early television. But with the advent of cable, this began to change, since cable allowed for somewhat more focused demographics: your chances of seeing an ad for the Acme Turkey Baster on the DIY channel were slim, but much better on the Food Network. This form of marketing is sometimes called *niche marketing* or *narrowcasting*.

Internet Marketing Arrives

However, our interest lies with the most recent of these communication technologies: the Internet. Often called the "information superhighway" in the early days, the Internet began life as ARPANET, a communications network for academics, researchers, and government agencies because it was created under the auspices of ARPA (which is now DARPA, the US Department of Defense Advance Research Projects Agency). DARPA also developed the TCP/IP Internet communication protocol.

It's a good bet that the first online ads appeared in the last quarter of 1994. This is the year Mark Andreessen and Jim Clark started the company that morphed the Mosaic web browser into Netscape. The date was in April of that year; by October, HotWired (now Wired.com) had developed the idea of banner ads, launching ones for the likes of AT&T, Sprint, MCI, Volvo, Club Med, 1-800-Collect, and Zima on its web site. Time-Warner, also in October of '94, launched the Pathfinder portal with test ads from AT&T. 1994 was also the year CompuServe and America Online (AOL) launched their portal services.

The number of web sites grew rapidly in the mid and late '90s, and with this growth came the need for search capability. Search engines like AltaVista, Lycos, and Infoseek began to appear, and the opportunities for ad targeting started to move to a different plane altogether. Like all businesses, these search engine companies needed to monetize their services.

Enter Pay-Per-Click

Pay-per-click (PPC) arrived with a program offered by OpenText in 1996 and GoTo.com, a spinoff from IdeaLab in Pennsylvania, in 1998. This was the same year that Stanford computer science grad students Larry Page and Sergey Brin founded Google as a privately held corporation.

In 2000, Page and Brin were still looking at the question of how Google could become profitable. Google was rapidly developing a reputation and user base because of the perceived quality and speed of its search technology. This placed it in a good position to generate significant revenues by showing sponsored ads on its search engine results pages (SERPs). This approach was similar to an approach called the paid-placement model developed by Bill Gross at the aforementioned GoTo.com. The ads could be placed according to the context of the user's search, combined with an automated auction process to determine the placement of the ad on the search engine results page.

Google tried to negotiate an arrangement to license the technology from GoTo.com, but an agreement was never reached. As a result, Google moved forward with its own search placement ad technology. GoTo.com changed its name to Overture in October, 2001. GoTo was acquired by its biggest customer, Yahoo! in 2003. Early in 2002, prior to this acquisition, Overture had initiated a patent infringement action against FindWhat.com and Google.

After Yahoo!'s acquisition of Overture, Google decided to settle the lawsuit under an agreement to issue 2.7 million shares of common stock to Yahoo! in exchange for a perpetual license. The fact that Google was on track to an IPO was clearly a motivating factor for settling the case. The rest is history, as they say.

Targeted Marketing on the Internet

"Targeting" can have a number of meanings, so let's narrow it down. The way we have used it so far could be more or less equivalent to demographic focusing based on age, gender, education, etc. But targeting using Google's AdWords or AdSense technologies is different, so let's consider what actually happens in Google's system.

Here's a very quick summary of what happens in Google's system, and more generally in online paid placement marketing: someone enters a search phrase (keywords) in a search box, and a search engine results page appears with some text ads on the right side and perhaps the top. Which ads appear is determined by the interplay of the following three things:

- **The search keywords the user enters:** Normally, the user has entered these keywords because she feels they represent her search intent. (User search skills can vary over a wide spectrum.) On occasion, the user may be interested in the ads as well as the organic search results.

- **The campaign settings selected by advertisers:** Options include the bid cost-per-click (CPC); the keyword phrases advertisers select for their ad groups and campaigns; negative keywords; topic targeting; geographic targeting; time and day settings; and a range of other constraints and settings (see Chapters 5-7).

- **Google's AdWords technology:** AdWords takes the two previous items and then does some magic to determine which ads will appear on the search engine results page and in what order. (We use the word "magic" advisedly because not all of Google's technology and algorithms are transparent. In fact, some are very closely held secrets.)

- An extensive regime of disciplines, technologies, standards, and state and federal statutory and regulatory frameworks has developed relating to the area of online marketing. It's impossible to cover all of these subjects in depth, but we will touch on some of the important areas and provide pointers to outside resources later on if you're interested in learning about these subjects in detail.

The following section talks about a case study that demonstrates how tightly focused a Google ad campaign can be.

Find Your Dream Job with AdWords (and $6.00)

Here's how one person put together a quick AdWords campaign to land his dream job. In early 2010, Alec Brownstein was an advertising copywriter working in New York City. He wanted to find a more interesting job than the one he had. After doing some research, he decided the creative department at Young and Rubicam was the place. He picked five creative team executives in Y&R's creative department: David Droga, Tony Granger, Gerry Graf, Ian Reichenthal, and Scott Vitrone.

Alec then set up five Google AdWords campaigns, one for each of the creative directors. He bid 15 cents each for each of these five keywords. The ads would read: "Hey <creative director's name here>, Googling yourself is a lot of fun. Hiring me is fun too." The URL on each ad pointed to Alec's web site, where there was a link to his portfolio (see Figure 1-1). Four of the five creative directors thought the experiment showed a lot of creativity—enough so to invite Alec in for an interview.
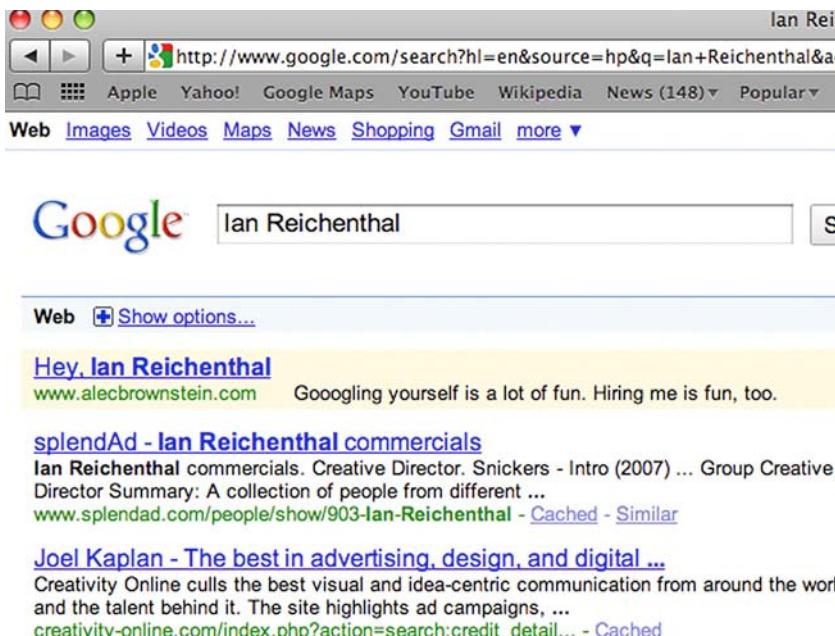
Figure 1-1. Google SERP for Ian Reichenthal with Alec's ad in the top position

After the interviews, Ian Reichenthal and Scott Vitrone both offered Alec a job, and he accepted. His total cost for the campaign was $6.00.

Alec's story demonstrates how cost-effective online advertising can be, especially with a technology like AdWords that enables a tightly focused campaign. AdWords allowed Alec to target his ads directly to the five people he wanted to reach. Four of the five invited him for an interview, and two offered him a job—not a bad ROI for a small investment of effort and dollars. The important components here were Alec's creativity, sense of humor, and his imaginative use of search-engine marketing.

Search Engine Marketing

Pay-per-click is part a larger umbrella of marketing called search engine marketing (SEM). SEM refers to the process of promoting web sites through visibility in the search engines, which can happen in two ways.

- **Paid search:** The most typical form of paid search is pay-per-click (PPC) or cost-per-click (CPC) marketing. This book talks about Google AdWords, a PPC technology where advertisers are able to place ads targeted according to user keyword searches on Google and/or on their network of products and sites. The second biggest player after Google is the Microsoft adCenter which powers pay-per-click ads on both Bing.com and Yahoo.com and their content partners. We will talk more about the different forms of paid search in the section on ad models.

- **Search engine optimization (SEO):** This involves the use of techniques to improve the relative placement of your site on organic search results pages. Search engines crawl the Internet using sophisticated algorithms to rank sites. There are a wide range of *white hat* and *grey hat*[1] techniques used by consultants and SEO agencies. SEO involves both improving the technical aspects of your site to ensure it is "search engine friendly" and aligns with search engine algorithms through off-site optimization tactics such as link building. Search engine algorithms such as Google's include a variety of ranking factors. Backlinks are a major component as is the amount of crawlable content on a site and—more recently—signals from social media sources like Facebook and Twitter. Another component of SEO is local search, which focuses more specifically on a web site's visibility for searches related to location. SEO is seen as the marathon event of SEM and requires ongoing work to obtain and maintain rankings. In contrast to paid search, SEO ranking results are referred to as organic or natural rankings.

PPC and SEO complement each other and both programs should be managed with consideration of the other. PPC is a great way to see results quickly while also having full control over when and where your ads are displayed. SEO can feel like playing a game where you don't know the rules. Before diving into a lengthy and time-consuming SEO campaign, PPC can often be a great source of reliable data.

It's All about Targeting

So the takeaway from Alec Brownstein's Google AdWords experiment is that we have the technology—and hence the opportunity—for very tightly focused and cost-effective ad campaigns. Of course, some situations lend themselves to extremely focused targeting, and some don't.

The online and search-engine marketing arena has been characterized by intense competition (even with Google's dominance over the last five years) and rapid technical changes. Even a cursory look at the history of this sector of the Internet economy shows it has been controversial. No one could hope to grasp in its entirety the growing body of court cases, regulations, and case law in this field. Google, Yahoo!, and Microsoft—not to mention many other search providers—have been involved in litigation, patent disputes, and regulatory actions involving billions of dollars of fines, settlements, and attorney fees.

The rest of this book will focus on the technical aspects, primarily dealing with the Google side of things, but it's a good idea to keep these nontechnical aspects in mind as you get up to speed with this subject.

There are many ways that businesses wanting to conduct online advertising campaigns can "target" people searching the Internet, so let's survey some of the lexicon. There are two broad areas to keep in mind when learning about this subject, and they are closely related. One is the ad model, or ad technology; the other is the revenue model, or the way the ad network (e.g., Google) generates its revenues.

Let's start with ad models.

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[1] For those who may be unfamiliar with this vocabulary, "White Hat," "Black Hat," and "Grey Hat" are terms used in the computer security community to describe the intentions, techniques or philosophies of hackers. The White Hats are those who uphold ethical standards and don't use illegal or disallowed methods; the "Black Hats" are those who act with unethical or criminal intent or use illegal methods; and the "Grey Hats" are those who fall somewhere in between – sometimes using potentially harmful methods to point out security risks in systems to parties who would otherwise be unaware of these weaknesses. In the SEO arena, one would hope that the Black Hats are a rarity, but the use of ethically hazy approaches, such as hidden text to trick search engines, isn't unheard of.

Ad Models

We could enumerate a large number of ad and targeting models, but for the purposes of this book, we will focus only on those relevant to the Google ad technologies.

Pay-for-Placement (P4P) Ads

Pay-for-placement is the dominant model for search-based ads and is used (with some technical variations) by Google AdWords, Facebook, Microsoft adCenter (formerly MSN adCenter), and—until October 2010—Yahoo! Search Marketing. Note that Microsoft adCenter acquired Yahoo! in early 2010, and PPC ads on Yahoo's search network transitioned to Microsoft Ad Center on October 26, 2010. The compensation model nearly always associated with P4P is PPC, which we will talk more about in the following section on revenue models.

Contextual Ads

Contextual ads are based on keywords contained within the content of the page. In the case of highly dynamic web pages, such as blogs or news, the ads will change as the content changes. The revenue model applied to contextual ads is usually cost-per-mille (CPM), or cost per thousand impressions. Sometimes pop-up ads will be used with contextual ad technology, but Google doesn't allow pop up ads, either with AdWords or AdSense. Contextual ads can occasionally result in inappropriate or embarrassing juxtapositions of ads with web pages, but Google is improving its ability to avoid these situations.

Behavioral Targeting

Behavioral targeting is an ad technology based on gathering and aggregating information to infer user preferences from online behavior—pages visited and searches made. The data involved may extend over a single browsing session, or it may extend over a considerable time, involving cookies and click tracking. *Online behavioral advertising* (OBA) is another term often applied to this form of marketing.

This has been one of the more controversial forms of online ad technology, largely because of the privacy issues involved. Behavioral targeting can be combined with other ad technologies, such as contextual ads, to more precisely focus the ads displayed.

The US Federal Trade Commission (FTC) has regulated OBA since online marketing began to grow in the mid-1990s. Late in 2010, it proposed a legislative framework to protect consumer data privacy, which included a "Do Not Track" mechanism. The FTC has also issued a number of reports and conducted several workshops on the subjects of both industry self-regulation and federal regulation.

Google's "interest-based" advertising is a particular form of behavioral targeting. Many commercial web sites, blogs, news sites, and advertising networks (i.e., Google or AOL) engage in behavioral targeting.

Semantic Targeting

One issue with contextual targeting is that the process is relatively unintelligent, since it relies on keyword analysis of web page content. For example, using this form of targeting, your display ad may sometimes appear on a web page with inappropriate content or content that can otherwise damage your branding effort. Semantic targeting provides a way of avoiding these kinds of harmful placements.

The concept of semantic targeting emerged from ongoing efforts to develop the Semantic Web (sometimes called Web 3.0), a concept first proposed by Tim Berners-Lee, originator of the World Wide Web standard. It relies on embedding structured data (such a price, availability, physical specifications, etc.) about your offering within your web page's HTML. Automated systems can work with this data to achieve better performance than can be had with contextual and behavioral targeting.

In mid-2011, Google was apparently encouraging the use of a lightweight e-commerce web vocabulary called GoodRelations (`www.heppnetz.de/projects/goodrelations/`) for those businesses interested in using semantic targeting technology. Yahoo!'s Search Monkey facility also adopted the GoodRelations vocabulary, but Yahoo! deprecated Search Monkey when their search service was transferred to Microsoft adCenter in October 2010. Microsoft's Bing also announced it would support GoodRelations at some point in the future. The vocabulary is currently in use for the web pages of a number of large e-commerce vendors, including BestBuy, Overstock, O'Reilly, Sears, and Kmart.

In Q3-2011, things on the semantic targeting front took a turn when Google announced its participation in the schema.org approach to web product markup using the *microdata* format. Microdata is a set of tag standards that facilitates the semantic description of products, services, or other entities within web page XTML; it was developed as part of the HTML5 specification (see Chapter 9). Schema.org has announced it may support other types of vocabularies in the future, such as microformats and RDFa.

When it was created, Schema.org was a consortium of Google, Microsoft, and Yahoo! The respective search engines of these "Big 3" support the use of the microdata format. The ongoing participation of Yahoo! is uncertain because of the aforementioned transfer of Yahoo! Search Marketing to Microsoft adCenter in October 2010.

Semantic data can also be conveyed in web pages via RDFa (short for Resource Description Framework-in-attributes). Google has had a policy of not showing content that isn't visible to the user. (This statement doesn't make sense on the face of it, but read on.) With the advent of semantic information that may be invisible but that may have legitimate purposes, things have become more complicated. Here's what Google has to say on this matter:

■ **Note** In general, Google won't display content that is not visible to the user. In other words, don't show content to users in one way, and use hidden text to mark up information separately for search engines and web applications. You should mark up the text that actually appears to your users when they visit your web pages. However, in some situations it can be valuable to provide search engines with more detailed information, even if you don't want that information to be visible to the people who visit your page. For example, providing the latitude and longitude of a venue can help Google ensure that it is correctly mapped; providing the date of an event in ISO date format can help ensure that it appears correctly in search results. In this case, you can use the `content` attribute to indicate that the rich snippets parser should use the attribute value to find the start date of the event. [2]

Google provides a facility called *smart snippets* that can be used to convey this type of information to the search engine. If a web page involves an event date, such as a registration deadline, the `content`

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[2] Google Webmaster Tools Help, "About RDFa," `www.google.com/support/webmasters/bin/answer.py?answer=146898`.

attribute (as mentioned previously) can be used in a smart snippet to convey the date in ISO date format to the rich snippets parser so that the date appears correctly in search results. The following is an example of a smart snippet conveying a date:

```
<span property="v:dtend" content="2011-11-15T19:00-07:00">15 September 2011, 7PM</span>
```

Google continues to support at least four ways for conveying semantic data to the search engine: microdata, rich snippets, microformats, and RDFa. With its recently announced participation in the schema.org coalition, it appears to be going with the microdata format as the schema of choice.

Location Targeting

Location targeting involves targeting audiences based on their location or their geographic area of interest. In the context of the Google ad network, the terms used are Location of Presence (LOP) or Area of Interest (AOI). Table 1-1 shows an example of how location targeting can be used to display an ad based on the user's location, area of interest, and query. The search engine is normally able to determine the user's LOP.

Table 1-1. *Use of Location targeting to Control Ad Visibility* (*Source: Google.com*)

Target Method	User Location (LOP)	User Query	User's Area of Interest (AOI)	User sees Ad
LOP only	Denver Flowers			✔
	Pennsylvania	Flowers in Denver	Denver	🚫
AOI only	Denver Flowers			🚫
	Pennsylvania	Flowers in Denver	Denver	✔
LOP and AOI	Denver Flowers			✔
	Pennsylvania	Flowers in Denver	Denver	✔

LOP- and AOI-based location targeting can be set for an ad campaign in the settings field of the campaign. Settings can also be used to exclude certain LOPs or AOIs.

Location targeting settings apply to searches within the Google Search Network, but not the Google Display Network. (See the next section for definitions of these two Google Networks.) We discuss location targeting in detail in Chapter 5. Google provides many other forms of targeting features (e.g., age, gender, schedule, mobile carrier, and platform) within its API and the CampaignTargetService. We have included this section on geotargeting here because of its relative importance.

Revenue Models

Here is a brief list of the important revenue models used by online ad networks. The most frequently used systems are the top three in this list: PPC, CPM, and CPA. One important consideration in reviewing how these different models work is how cost risks are allocated between the advertiser and the ad network.

- **Pay-per-click (PPC) or cost-per-click (CPC):** Under this model the advertiser pays only when the user clicks on the ad and is redirected to the advertiser's web site. This means, of course, the advertiser doesn't pay when the ad is displayed on the SERP. This allows the advertiser or his consultant or agency to performance tune the campaign without incurring the costs associated with pay-per-view (PPV; see the later section). PPC is the predominant model for search ads and is the revenue model used by AdWords, Microsoft adCenter, and Yahoo! Search (now merged with adCenter). Some display ad systems also use PPC rather than CPM.

- **Cost-per-mille (CPM) or cost-per-thousand (CPT):** This means cost per thousand impressions. An impression is defined as a single display or exposure of the ad to a user, but some systems may not count an impression if the user reloads the web page where the ad is placed or takes some other action that results in reloading the page and the ad.

- **Cost-per-action or cost-per-acquisition (CPA):** Under this system, the advertiser pays only when the user completes a transaction. Clicks and impressions cost the advertiser nothing if they result in no further action on the part of the user. CPA is often used in the affiliate-marketing sector of the online ad business. The publisher assumes more risk under this model. An alternative name for this system is **pay-per-performance (PPF)**. Some subtypes (or other name variations) under this system include **cost-per-sale (CPS) or cost-per-order (CPO) or pay-per-sale (PPS)** and the advertiser pays only for each sale.

- **Cost-per-lead (CPL):** The advertiser pays each time the user provides enough information—by filling out a form or by registering for a white paper, e-mail updates, or a newsletter—to establish a sales lead.

- **Cost-per-engagement (CPE):** Under this scheme, the advertiser pays not when the user clicks on the ad or when the ad is presented, but when the user engages with the ad in some way, such as by playing a video or engaging with an interactive component of the ad.

- **Pay-per-view (PPV) or cost-per-view (CPV):** Under this scheme, advertisers pay for each view by the user of an ad or a web site. This is usually applied to pop-up, pop-under, or interstitial ads. *Interstitial ads* are web pages that appear "in between" one web page and the next. At first blush, the PPV model would appear to be equivalent to the cost-per-click model, but this is not the case. Pop-up, pop-under, and interstitial ads are presented without the user clicking on anything. Pop-ups and pop-unders are often presented as a result of adware having been installed on the user's computer or by JavaScript. Google has a stated policy against these types of ads, and AdWords and AdSense don't support them.

- **Pay-per-play (PPP):** This is a revenue system for playing audio ads on web pages. The advertiser pays the web page publisher for each time the ad is played to a user. This normally happens via JavaScript when the web page is loaded in a browser. Once the ad starts playing, it can't be stopped. The ad usually plays only once each time the page is loaded. Users haven't reacted favorably to audio ads since these play with no action from the user and can't be stopped.

- **Cost-per-conversion**: This is more of a performance metric used by advertisers or consultants. It is calculated by dividing the total cost of a campaign by the number of customers acquired or converted.

The Google Ecosystem

Google's online ad technology is, by any measure, very large and complex; if present trends continue, it will only become more large and complex over time. Google is constantly tuning and enhancing its ad system, so it helps to think of it as a moving target.

Trying to understand this technology for the first time can be a bit overwhelming. A good place to start is by understanding the system in its wider context and the vocabulary involved. This is the focus and intent in the rest of this chapter.

Thinking in System Terms

Put on your system thinking cap for a moment and look at the broader system in which the Google ad technology lives and works, viewed from 40,000 feet. You won't spend a lot of time at this altitude, but the view from up here helps put things into context. Here are the main species in the Google ecosystem:

- **Google companies:** A constantly growing network of companies and technologies with Google.com at the hub and a lot more companies than most might realize distributed around the rim. (One list has the count at 102 as of this writing.) Some of the important ones are

    - YouTube

    - DoubleClick

    - Motorola Mobility: This acquisition, at $12.5 billion, will be the largest of any to date (as of August, 2011).

    - Pyra Labs (Blogger)

    - Kaltix (developed the personalized Page Rank system)

    - Picasa

    - Urchin Software Corp. (Google Analytics)

    - Android

- **Google properties:** Aside from the companies Google has acquired over the years, it has developed, or acquired through its acquisitions, an impressive constellation of properties—products, services, and a boatload of patents. Normally the products and services are represented by a domain. Here are the top six Google domains, sorted by the market share among the top 20 domains, as reported in 2006 by Hitwise:

  - Google Search (80%): Google's search engine; it quickly gathered momentum after it was developed by Larry Page and Sergey Brin and was at the top of the heap among search engines within a few short years. Later, Google would demonstrate the same excellence in engineering with its ad technology that it had with its search engine.

  - Google Images (9.5%)

  - Gmail (5.5%)

  - Google News (1.5%)

  - Google Maps (0.8%)

  - Google Products (0.46%)

As you can see, the top three properties pretty much dominate Google's portfolio in terms of network traffic. Google is always expanding, repositioning, and tweaking its portfolio of properties. As of this writing, it has announced (through its official blog) the pending discontinuance of Google Health and Google Power Meter, while at the same time it is in the process of bringing new properties online, such as Google Hotel Finder, search by image (which is different from Google Images), Google Music (beta), and its new social media site, Google+. In August, 2011, the company announced its acquisition of Motorola Mobility for $12.5 billion.

The Internet Users

The CIA World Fact book for 2009 lists 1.82 billion Internet users worldwide in 216 countries. The top four on this list are

- **China:** 389 million

- **USA:** 245 million

- **Japan:** 99.2 million

- **Brazil**: 76 million

In case you're curious, the last member of the list (#216) is Christmas Island with 464 users. According to internetworldstats.com, the worldwide rate of Internet usage reached 30.4%, or nearly one out of three, in June, 2011.

Users of the Internet, of course, can cover a huge spectrum in terms of skills, affiliations, and assets—ranging from the 80-year old grandmother looking for a recipe for apple cobbler to the CEO of a Fortune 500 company checking the financials of a potential acquisition. If a user is online, they are there for a purpose. Often there is another party somewhere—a person, a small business, a school, a nonprofit—who's able to fulfill this purpose. If a user is searching on the keyword "organic coffee," you can be sure there are retail organic coffee businesses out there who would like to be found.

The Advertisers

Google has leveraged its predominance in the search engine arena with its AdWords and AdSense offerings to become the alpha dog among Internet advertising networks.

How much are advertisers spending for online marketing? The Internet Advertising Bureau (IAB) announced that Q3 2011 ad revenues were up 22% over the Q3 2010 level to $7.88 billion[3]. In the fourth quarter of 2010, Amazon was the top online advertiser at $51 million. This would indicate a projected annual spend of $204 million for Amazon, with AT&T the next largest ad spender at almost half of Amazon's level. The top ten advertisers on Google are projected to have a 2011 spend of nearly $1 billion. Table 1-2 shows the 2011 spend amounts for these advertisers.

Table 1-2. Top 10 Online Advertisers for Q4-2010. (Source: Kantar Media)

Advertiser	Q4 2010 Spend $Million	Annualized Spend* $Million
Amazon 51		204
AT&T 27		108
Capitol One	26	104
Target 25		100
Expedia 23		92
EBay 22		88
Progressive 19		76
Sprint 17		68
Geico 16.5		66
State Farm	16.2	64.8
Total 242.	7	970.8

* Annualized amounts are somewhat inflated by the fact that fourth-quarter numbers are seasonally higher than other quarters for retailers.

[3] IAB, "Q3 '11 Internet Advertising Revenues Up 22% from Year Ago", Nov. 30, 2011. www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-113011

The Long Tail of Online Ad Spending

So much for the heavy hitters. What about the rest of Google's ad customers—the mid-sized and small business, many of whom must get by with limited ad budgets? If you were to graph the distribution of customers' ad spend, the line should look something look like that shown in Figure 1-2.
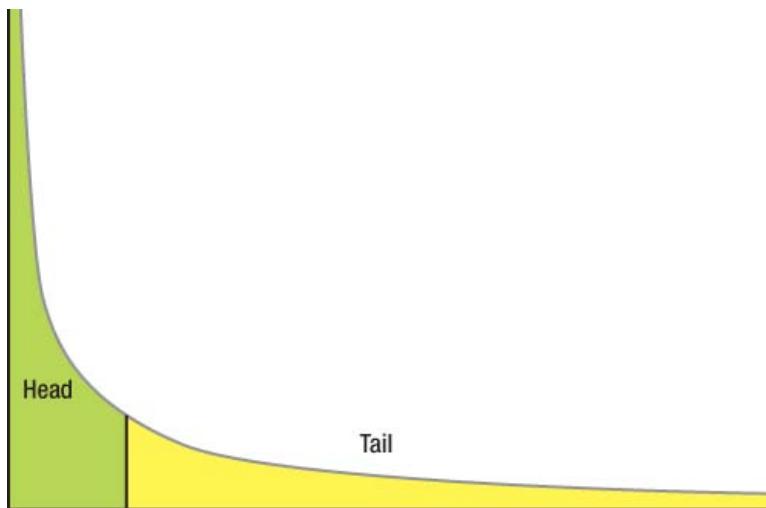
Figure 1-2. The theoretical long tail of Google customers' ad spend distribution

Note that the two areas under the curve marked "Head" and "Tail" will be equal. The take-away from the ad spend distribution shown in this figure is the following:

- Google will collect half of its ad revenues from a relatively small number (probably in the order of hundreds or thousands) of large customers like Amazon.

- The remaining half of Google's ad revenues will come from a very large number (probably in the order of hundreds of thousands or millions) of mid-sized to small customers.

See Chris Anderson's book, *The Long Tail,* for more on this subject.

The Google Network

The Google Network is the collection of web sites and properties where an ad can appear. It includes web sites where a user can initiate a search that potentially places ads on the SERP. Some of these web sites—such as the Google.com search page, Gmail, Google+, YouTube, and Google Maps—are owned by Google. Others are news, information, or blog web sites where ads can be displayed based on keyword matches to the content of the site.

There are two components to the Google Network: the *Google Search Network* and the *Google Display Network*. These concepts should become second nature by the end of this book. Ad campaigns can be configured so that your ads will appear only on search engine results pages, only on the Display Network, or on both.

The Google Search Network

The Google Search Network is the network of web search properties owned by Google or by Google's search partners. Your ad appears on SERPs and is displayed as a result of a user search executed on any of these sites. The ad appears (usually with others) as four lines of text at the top of the page (above the organic search results) or on the right side of the page, as shown in Figure 1-3.
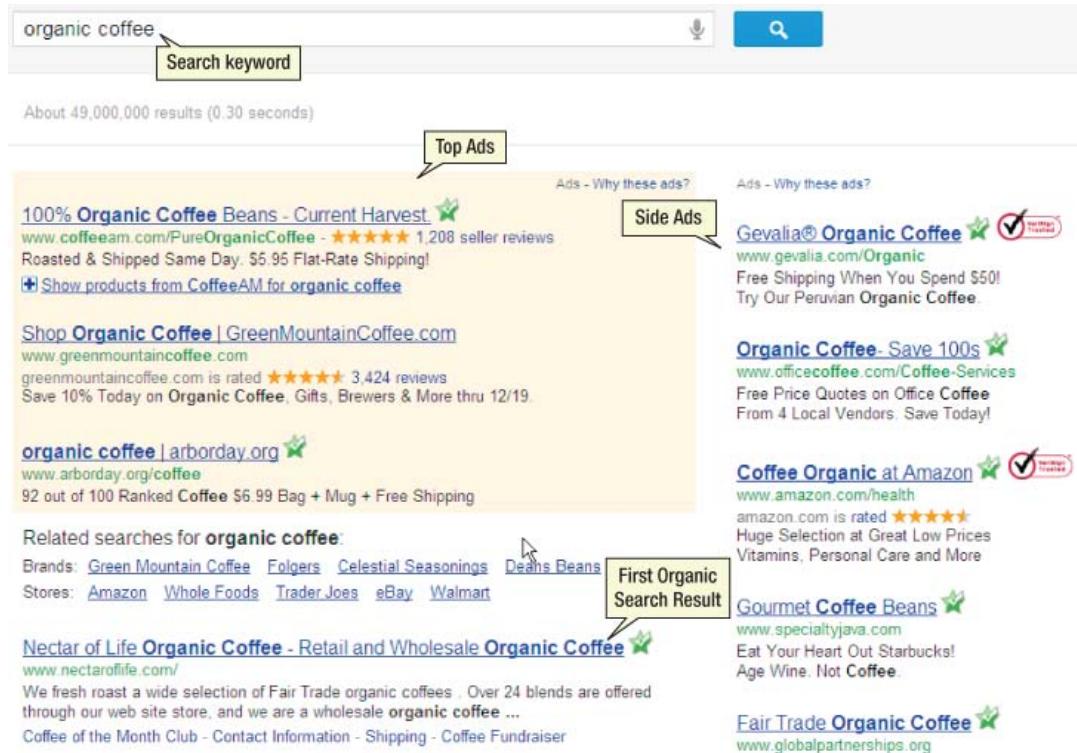
Figure 1-3. SERP for organic coffee showing top and side ad positions

As you can see in Figure 1-3, both areas where ads appear are denoted by the word "Ads," so it is clear to the user that these are not part of the organic search results.

Google search web sites where ads can appear include:

- Google.com
- Google Maps
- Google.co.uk (the Google British domain)
- Google Groups
- Google Product Search
- Google Places (www.google.com/places)

Some Google properties (e.g., Google Images) don't currently display Google ads, but this may change.

Who are Google's search partners? Generally, these are companies (often portals, such as AOL.com) that have an arrangement with Google to provide search capability on their portal or web site. Here's a sample list of Google's search partners:

- AOL.com

- Adelphia.com

- MyWebSearch.com

- CNETSearch.com

- Ask.com

- Dogpile.com (search aggregator)

- Virgin Media

- Amazon.com

Google doesn't list web sites in the Search Network, and it isn't possible to prevent your ads from appearing on specific sites within the Search Network. This is one example of the lack of transparency within the system, and advertisers and agencies have complained about this, particularly in cases where click-through rates have brought poor performance. We will talk more about this in Chapter 10.

The Google Display Network

The Google Display Network consists of the Google properties where your display ad can appear on content pages as a user is browsing the web. The Google Display Network has several options for targeting your audience, including keywords, hand-picking sites, interests, and remarketing. We discuss all the targeting options in greater detail in Chapter 8. Google used to apply the term "Google Content Network" to this concept, but it changed the preferred term to "Google Display Network" early in 2011.

Unlike ads appearing on SERPS as a result of searches performed on the Google Search Network, ads on the Google Display Network can be "rich content" ads, such as video, audio, or images. Typically, one of five available standard display formats (called Core Standard Ad Units) is selected for a display ad. These standards are defined by the Interactive Advertising Bureau (IAB).

Here are some of the web sites and Google properties included in the Display Network:

- Gmail

- Google Finance

- Google Groups

- Google Maps

- Blogger

Gmail and Google Groups web pages can show both display ads and AdWords ads. There are over a million Display Network partners where display ads can appear, including video, gaming, blogs, newsletters, and mobile display partners. (See Chapter 8 for more on the Display Network.)

The Difference Between AdWords and AdSense

The rest of this book focuses on the subject of Internet marketing from the perspective of Google AdWords. First, let's look into the difference between AdWords and AdSense.

AdWords—and the Google Search Network—is the system responsible for presenting the short clickable ads you often see on the right or at the top of Google's organic search results page. AdSense—and the Google Display Network—on the other hand, is Google's paid ad placement technology responsible for presenting the AdWords ads you see on individual web pages. Google then pays the publishers of these web pages based either on user clicks on the ad (PPC) or impressions (PPM), depending on the type of ad. In general, AdWords is the interface used by advertisers and AdSense is the system used by publishers of web sites. We will be talking more about using AdWords on the Search Network in the following chapters and about advertising on the Display Network in Chapter 8.

Of all the first-tier players in the Internet ad ecosystem (including Microsoft, Google, Amazon, and eBay), Google has become by far the dominant player. Measured in terms of ad revenues, Google is the largest advertising entity in the world.

Other Google Advertising Properties and Services

The number of properties Google has acquired or developed over its short history is impressive. Since the majority of its revenues come from advertising, it is no surprise that Google has focused a significant share of its acquisition and R&D efforts on ad-related businesses and technologies. This portfolio is constantly changing, so we can only hope to capture a snapshot as of this writing in September 2011. In any case, here is a quick survey of Google's ad-related properties, services, and technologies, aside from AdWords and AdSense. Some of these will be covered in more detail in later chapters.

Doubleclick

Doubleclick is an online ad serving company acquired by Google for $3.1 billion in cash in April 2007. It was founded in 1996 as an application service provider (ASP), serving primarily banner ads. At the time of the Google acquisition, its ASP/SaaS (Software-as-a-Service) ad serving technology known as DART (Dynamic Advertising and Reporting Tool) had developed a very strong reputation in the online ad industry and was certainly a factor in Google's decision.

Ad serving companies provide two important services to advertisers, publishers, and agencies.

- They provide the software or server capability to serve online banner or display ads on web sites.

- They provide analytical, targeting, and optimization tools to advertisers and publishers for monitoring the performance of ad campaigns.

DART is actually a family of services that includes:

- Dart for Publishers (DFP – see the next section)

- Dart for Advertisers (DFA)

- Dart Search (DS)

- Enterprise (DE)

- Motif (rich media)

- Sales Manager (for publishers)

- Adapt (for publishers)

- Media Visor (for advertisers)

- Doubleclick Advertising Exchange (for both publishers and advertisers)

Doubleclick for Publishers

DFP is a SaaS application that can be used as an ad server by web publishers. It also includes sales management and reporting services to support the operations of a dedicated sales team. DoubleClick AdPlanner has replaced what Google formerly offered as its Ad Manager. The process of including an ad on a publisher's web page is relatively simple. An "ad slot" JavaScript snippet is inserted in the page's HTML, so each time a user visits the web page, the JavaScript creates an IFrame (inline frame) containing the ad with an `src` attribute set to the page's URL. (IFrames were standardized in HTML 4.0 and are allowed in HTML 5.0, but some browsers may not support IFrames or display them properly.)

Doubleclick for Publishers Small Business

DFP Small Business is, as the name implies, essentially DFP Lite for smaller publisher web sites. It is free, as long as you don't exceed 90 million impressions per month, and it offers fewer features than DFP Premium. To sign up for the latter, businesses must get in touch with a Google/Doubleclick sales rep, execute a contract, and go through an implementation process. Google offers the DFP Small Business service to help small publishers who don't have the advertising budget to hire a full-fledged online sales tracking team but want to get up to speed with display ads. While this service doesn't have the full feature set of DFP Premium, it offers workflow and ad inventory management, along with forecasting, reporting, and targeting capabilities.

AdWords Express

This quick-start version of AdWords was inaugurated July 2011. It is aimed at small businesses who have no experience with online marketing or those that prefer a simpler management interface because they don't have the time available to manage a regular AdWords account.

A very quick and simple interface enables businesses to set up a campaign in a few minutes. It has a bit more orientation to Google Places (see the next section), since the business can set up the campaign to take the user to the business's Places Page, to their web site, or to their Google + page. Using Places makes the campaign amenable to location targeting, which can be a help, since many small businesses are more oriented to local customer bases and want to draw mobile users to their place of business.

Sometimes abbreviated to AWExpress, the system is highly automated to select keywords geared to the advertiser's business sector. The dashboard is also much simplified as compared to the same facility in AdWords.

Google Places for Business

Google Places serves as Google's business directory. You can submit your business through your Google account or claim a listing that Google has already generated. Let's say you're a coffee shop in Portland. If a user enters the Google search term "Portland coffee," the SERP would display Places-related hits as

well as a place tag on the Places map at the right side of the page. By claiming your listing, you can upload photos and more details about your business such as operating hours.

AdMob

This is Google's mobile advertising service, geared to a wide range of mobile platforms (including smartphones such as Android and iPhone, and tablet computers such as the iPad). AdMob, the company, was incorporated in 2006 and acquired by Google in May 2010 for $750 million. At the time, Apple too had expressed an interest in acquiring AdMob, but Google outbid them. Apple has since developed its own mobile advertising technology called iAd.

AdMob supports ad placements on all of the standard mobile browsers and on the primary mobile operating OS platforms including Android (Google), iOS (Apple, including iPhone, iPad, and iTouch), webOS (HP), Flash Lite, and Windows Phone 7.

Google Engage

Started in January 2011, Google Engage is a free educational program to help agencies and SEO professionals get themselves up to speed with Google AdWords technology. Here are some of the included elements:

- Webinars, videos, and online tutorials.

- Google Certification help such as training and vouchers to help you become a Google Certified Partner (see the next section).

- Marketing materials such as ready-made collateral materials to provide to prospective clients.

- Program and AdWords support.

Free vouchers can be provided to customers to help build your client base.

Google Certification Program

Google offers an AdWords Certification program for both businesses and individual professionals.

Company Certification

Companies must qualify on three criteria before they can apply for certification.

- Have managed campaigns with at least a $10,000 spend over 90 days (to be counted from the day the AdWords account is linked to the My Client Center (MCC)). The MCC account linked to the company must have spending occurring for at least 60 days out of a 90-day period.

- Have at least one certified employee.

- Agree to terms and conditions for representing AdWords.

Companies that gain certification qualify for marketing support from Google and can use the Google Certified Partner badge in their marketing. They are included in Google Partner Search, the online directory of Google Certified Partners, so that prospective clients are able to locate them; they also qualify for new business coupons and are able to attend Google training events and seminars.

Individual Certification

Individuals must pass an Advertising Fundamentals exam and one of the three advanced-level exams.

- Search Advertising Advanced Exam

- Reporting and Analysis Exam

- Display Exam

Google Grants

This is an in-kind donation program that grants free advertising to selected 501(c)(3) nonprofit and charitable organizations. Participating organizations are eligible to receive up to $10,000 in AdWords advertising per month. As of June 2010, Google has awarded over $600 million in in-kind contributions under this program. To qualify, organizations must meet the following criteria:

- Participation in the Google for Nonprofits program.

- Have a current 501(c)(3) status.

- Have an organization web site to which ads can link.

The program guidelines provide the following description of how the program works (see www.google.com/grants/details.html):

The Google Grants program empowers over 6,000 organizations to achieve their goals by helping them promote their web sites via advertising on Google. Google ads appear when users search on Google. For example when you search for "world poverty" on Google, text ads related to world poverty appear on the right hand side. Clicking on one of the ads brings you to the landing page.

Organizations that receive a Google Grant are awarded an in-kind online advertising account which can be used it in a variety of ways, including general outreach, fundraising activities, and recruitment of volunteers. Google Grants participants have found much success with the program. For example, the US Fund for UNICEF's e-commerce site, Shop UNICEF, experienced a 43 percent increase in sales over the previous year, while CoachArt—supporting children with life-threatening illnesses through art and athletics programs—has seen a 60 to 70 percent increase in volunteers.

Google AdSense for TV

Google has embarked on a number of attempts to expand its advertising operations into more traditional arenas, including radio, TV, and print advertising.

Google Audio Ads was a radio advertising program for US businesses that started up in May 2007, using the AdWords system. It was discontinued in February 2009.

In November 2006, Google started a print ad exchange system for newspapers to allow advertisers to bid on unsold ad space in participating newspapers, leaving it up to the newspapers whether to accept

the offers. This also was discontinued in February 2009, at which time around 800 newspapers were participating.

The one non-online media arena in which Google continues to play is TV advertising. It has initiated a program called AdSense for TV where advertisers can sign up on a CPM basis for targeted audience TV ads using the AdSense interface. Participating networks include Bloomberg, CBS College Sports, Dish Network, and Hallmark.

Summary

In this, our first chapter, we have tried to lay a broad foundation for the rest of the book. We presented a relatively brief history of online advertising and then went into more detail about the concept of targeting and the types of targeting that may occur in advertising, but more specifically in online advertising.

We also covered the Google ecosystem—the portfolio of companies and properties that Google has acquired or developed over its brief history, along with its broad base of search partners, users, publishers, and customers. Many people think of Google as a technology company—which it most definitely is—but it is also an advertising company. In fact, advertising generates the greatest proportion of its revenues. We talked about the Google Network, comprised of the Search Network and the Display Network. Lastly, we offered a brief discussion of the differences between AdWords and AdSense.

The remainder of this book will focus on Google AdWords and how to make it work effectively for you and your business.

AdWords in Depth

Google AdWords is complex, but at least the rules are the same whether you are a small local business or a Fortune 500 company. In this chapter, we will highlight the more important aspects of the AdWords system so you can gain an overview into the world of AdWords. We will start with an explanation of the basic terminology so you have a reference moving forward. We will then explain how cost is determined on the Search and Display Networks and how the auction process works. Lastly, we will review the basic structure of an AdWords account.

Understanding the AdWords Lingo

When first entering the AdWords world, it's likely that your head will start spinning with a flurry of new terms and acronyms, such as PPC, CPC, and CPA. It's all a bit much for any newcomer. Here's a list of some of the more important terms that are helpful to understand when you are getting up to speed with AdWords:

- **Search query**: This is the set of words a user enters into the Google search prompt. In Google's and other systems of paid advertising, a user's search query is the trigger point for the display of your ads.

- **Keywords**: These are the phrases or words that you choose to bid on within the AdWords setup and management interface (www.google.com/adwords). How Google matches your keywords to a user's search query depends on the match type you select for each keyword. We will discuss match types in a little more depth at the end of this chapter. Basically, the match type tells Google's matching algorithm how widely you want to cast your net.

- **Maximum cost-per-click**: This is the maximum amount you are willing to spend on a keyword when using a cost per click model. Because Google determines your ad cost based on an array of factors, including the bids of your competitors, the actual cost-per-click will nearly always be less than the maximum cost-per-click. The maximum cost-per-click is an important factor in the auction process, and it influences where your ad will appear on the search results page.

- **Impression**: In the context of paid advertising, an impression occurs every time your ad appears on a search results page.

- **Impression share***:* This is the ratio of the number of times your ad shows divided by the number of times it was eligible to show.

- **Conversion***:* The completion of a desired action by visitors to your site. A conversion can be a sale, the completion of a "Contact Us" form, a newsletter sign-up, or any other action you find valuable to your business.

- **PPC (pay-per-click)**: The revenue model used by AdWords within the Search Network; it's also an option on the Display Network. The AdWords auction process displays your ads based on several factors we will discuss shortly. Google charges your account only when someone clicks on your ad and is taken to your landing page...thus "pay-per-click." This is in contrast to a pay-per-impression model where an advertiser is charged by the numbers of times an ad is displayed.

- **CPC (cost-per-click)**: The amount Google charges your account for a click. Technically, each click you receive will have a slightly different cost, since each click is the result of new auction. Therefore, you will often see the term "*average* CPC."

- **CTR (click-through rate):** The ratio of clicks to impressions (clicks/impressions = CTR). For example, if your ad was displayed 100 times and clicked on 5 times, the click-through rate would be 5%. CTR is an important component of the AdWords system.

- **CPM (cost-per-mille)**: The cost for an ad to be displayed a thousand times (mille is a Latin term meaning thousand). This is more common with a cost-per-impression pricing model. In a CPM system, the number of times an ad is clicked does not come into play. Advertisers can choose to use the CPM cost structure for ads on the Display Network.

- **CPA (cost-per-action/acquisition):** The cost for a visitor to perform a desired action on your site. When paying on a CPA model, advertisers are charged only when a user converts. A conversion can be a sale, lead, newsletter sign-up, etc. This method directly ties return on investment (ROI) to the cost of advertising.

- **Estimated first page bid**: This is the estimated CPC bid required for your ads to be shown on the first page of search results. Google approximates this amount based on the exact match version of the keyword. A keyword's Quality Score and level of completion are the main factors in setting this amount. Although only an estimate, the estimated first page bid can be important data for creating a bidding strategy.

- **Top of page bid**: Similar to the estimated first page bid, top of page bid is the estimated CPC for your ad to be shown above the organic results on the first page of Google's search results. Again, this is an estimated amount based on the Quality Score and competition.

- **SERP (search engine results page)**: This is the page displayed by any search engine (Google, Bing, Yahoo!, etc.) as the result of a user's search. Also called the *organic search results page*, it's the context in which paid ads appear at the top, or the bottom, side of the web page.

In the next section, we will look under the hood of a Google account.

Account Structure

In Chapter 4, we will explain how to create your AdWords account, but before we do this, it helps to become familiar with the overall structure of an AdWords account. Figure 2-1 represents a conceptual scheme of this account structure.
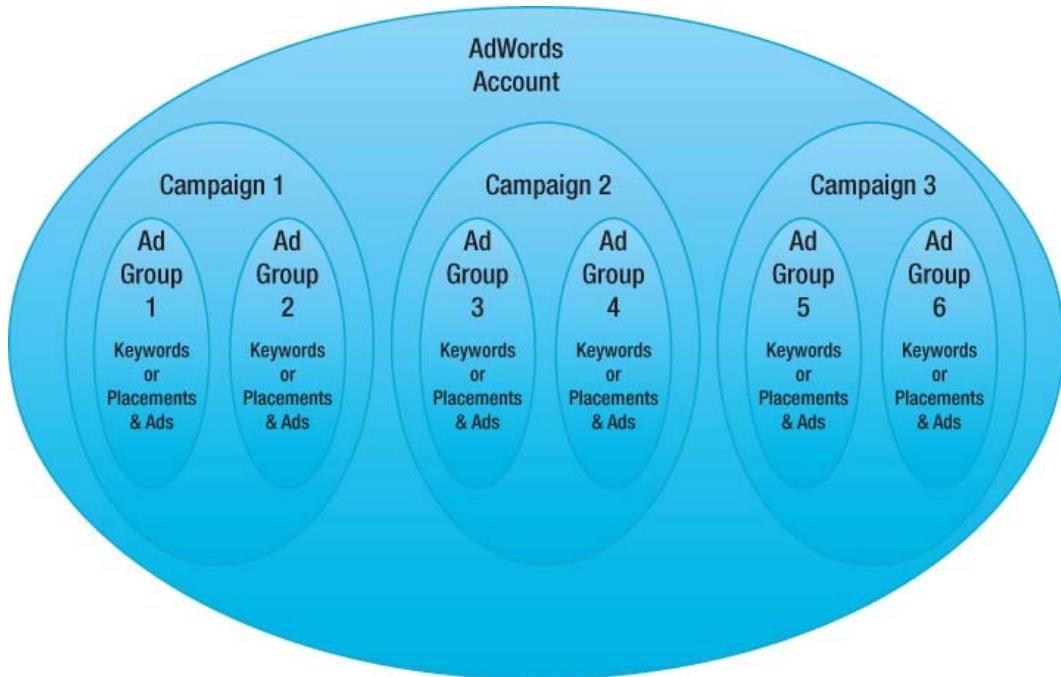
Figure 2-1. *An AdWords account structure*

Let's take the concepts represented in this diagram one at a time, starting with campaigns.

Campaigns

Campaigns are the top level of an AdWords account and can be conceived of as the account's "containers." They control the settings that determine when and where your ads are displayed. We discuss the various campaign setting options when we talk about the setup process in Chapter 4. Each AdWords account can have a maximum of 10,000 campaigns, both active and paused.

Ad Groups

Each campaign consists of one or more ad groups, which consist of a keywords and placements and the ads related to these keywords and placements. Maximum bids can be set for an entire ad group level or at the individual keyword level or placement. Tightly themed ad groups are important to the overall success of your AdWords marketing efforts, and will result in higher click-through rates, thus raising your Quality Score (as we will explain shortly).

The process of theming ad groups can be time consuming, but it can pay off in improved performance and ROI for your campaigns. Let's use the example of a web store that sells pet food, with the following list of keywords:

- *Dog food*
- *Cat food*
- *Dry dog food*
- *Organic dog food*
- *Dog treats*
- *What is the best dog food?*

Although all these keywords are relevant to the site, they are not related closely enough to be set up as one ad group. Instead, the following ad groups should be created:

- Pet Food Campaign
    - Ad Group – Dry Dog Food
    - Ad Group – Organic Dog Food
    - Ad Group – General Dog Food
    - Ad Group – Dog Treats
    - Ad Group – Cat Food

By organizing or grouping the keywords in this manner, you can create ads that closely match the theme of the ad group and contain the actual keyword in the ad. The ad copy should align well to each of the keywords in the ad group. If you find a keyword that doesn't seem aligned to the ad text, it probably warrants its own separate ad group. Ads that reflect keywords well will have a higher CTR and will perform better. It's also important to consider the landing page where you will be sending visitors. Each ad has a display URL as well as a destination URL. Both of these should also accurately reflect the theme of the ad group.

Match Types

Within the keyword level of an account, there are various match types. Match types define how a keyword in your account will be associated with a search query. There are five primary match types.

- **Exact match**: Your ads will be displayed only when the keyword exactly matches the search query. Enclosing the keyword phrase in brackets specifies that it is an exact match keyword:

    [Aspen vacation rentals]

    Only when someone performs a search exactly matching the words [aspen vacation rentals] will your ads be a match and entered into the auction. The system will ignore misspellings and plurals of your keywords, so these will not result in a match.

- **Phrase match**: The search query must contain your keyword phrase in the order specified, but may have words included before or after. These keywords are entered with quotations:

  "Aspen vacation rentals"

  If you bid on the phrase above, Google could match with the search query *luxury aspen vacation rentals* or *aspen vacation rentals downtown*. Again, misspellings and plurals are not considered matches.

- **Broad match**: This casts the widest net and gives the Google matching algorithm the liberty to match queries on items related to the keywords. These keywords are entered with nothing around them:

  Aspen vacation rentals

  This keyword phrase could match with *Aspen real estate* or something like *summer rental Aspen* or sometimes as far reaching as *Vail home rentals*. When using broad match keywords it's important to incorporate the use of negative keywords, discussed later in this chapter.

- **Broad match modifier (BMM)**: This type of match gives you greater control than broad match, but it doesn't require that you state the word order or worry about spelling variations. These keywords are entered with a plus symbol in front of any word that MUST occur in the search query. Plurals, misspellings, and abbreviations are all matched for keywords containing the "+". Don't use spaces between the "+" and the word and be sure to maintain normal spacing.

  Aspen +vacation rental

  This keyword phrase could match on a search for *luxury vacation rentals in Aspen* or *rentals for Aspen vacations.*

  You can use the "+" modifier with as many of the keywords in the phrase as you like. For example,

  +Aspen +vacation +rental

  This keyword would match on *vacation rentals in Aspin*, even with the misspelling. The BMM keyword phrases should have a greater click-through rate than the broad matched keywords because they will see fewer ad impressions.

■ •**Note** Google will match on the most restrictive keyword. For example, if *aspen vacation rentals* and *+aspen +vacation +rentals* are both keywords in the same account, Google will match the search query *aspen vacation rentals* to *+Aspen +Vacation +Rentals*.

- **Negative keywords:** This match type is an important feature of AdWords, especially when using broad matched keywords. By telling Google what words you want to exclude from the match, you can easily filter unwanted traffic. For example, if you are a hardware store that sells window screens, it's important to use negative keywords for all the other various screen types such as TV, iPhone, computer, etc. This would be an extensive list. Just as you do keyword research to determine the best keywords for matching, you also want to research keywords that you want to exclude. Negative keywords can be matched as a single keyword, multiple keywords, a phrase match, or an exact match. When adding negative keywords according to match type, the keyword is entered with the same formatting but with the inclusion of the "-" sign. Negative keywords can be added at the ad group level, the campaign level, or through the use of an AdWords feature called *lists*. By creating lists of negative keywords, the same negatives can easily be applied to multiple campaigns; we will review the creation of lists in Chapter 6. In an active account, Google provides a search query report that tells you the actual search query that was matched to your keyword. Again, we will discuss this report in Chapter 6. For now, take note that the search query report is an important tool for discovering negative keywords.

  It's also important to use negative keywords within ad groups to steer Google in the right direction. Say, for example, you have the keyword phrase *Aspen Rentals* in an ad group with broad, exact, and phrase match. You also have another ad group with *Aspen Condo Rentals* with broad, exact, and phrase and exact match types specified. To ensure that Google serves the condos-related ad instead of the more inclusive *Aspen Rentals* broad match, you could place a negative *condos* keyword in the Aspen Rentals group. This helps to direct Google to serve the best-matched ad.

Figure 2-2 represents the various match types and their level of reach. Note that a search on *dag food* will result in a match, in spite of the misspelling, since the *"+dog"* keyword has a plus-sign prefix.
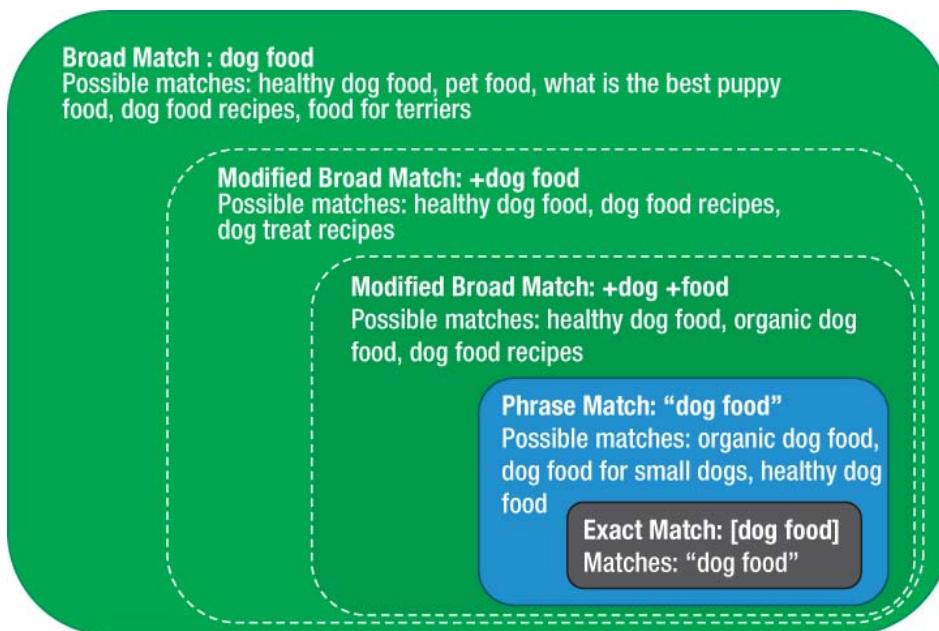
Figure 2-2. Match types and their level of reach

AdWords Cost

When starting a campaign, one of the first questions most advertisers have is "how much does it cost to run ads?" The answer to this question varies depending on your goals. An advertiser in AdWords can focus on clicks, impressions, or conversions. When setting up a campaign in AdWords you have the choices shown in Figure 2-3.

Figure 2-3. *Bidding and budget settings*

Let's discuss the options shown in this figure that are available when advertising on either the Search or the Display Network.

- **Focus on clicks – Manual bidding**: This is the default bidding method. You tell Google the maximum amount you are willing to spend per click. The maximum CPC, which is really the same as saying "your bid," can be set at the keyword or ad group level.

- **Focus on clicks – Automatic bidding**: Google sets the bid amount for you and attempts to maximize the number of clicks you receive. You have the option of telling Google a CPC bid maximum, which is advisable, as Google will spend your daily budget. This option gives you less control of what you bid for particular keywords, but it can be useful for keywords that you would like some exposure on but have a limited amount of budget.

- **Focus on clicks – Enhanced CPC**: With Enhanced CPC bidding, Google adjusts your bid based on its estimation that the keyword will convert in a given auction. Enhanced CPC will only work if you are tracking conversions in your AdWords campaign; otherwise, enabling this option will have no effect.

  Because each auction will be different due to a number of factors such as the group of competing advertisers in the auction and the search query, Google looks at each auction individually and determines the likelihood that your ad will result in a conversion in a given auction. Enhanced CPC bidding is designed as a split test. Google uses the enhanced bidding on a portion of your traffic in a continuous effort to compare campaign performance with and without the enhanced CPC. If Google determines that its changes are hurting the performance of your account, Enhanced CPC will reduce the impact of these changes. In this way, Enhanced CPC bidding works differently than from the Conversion Optimizer, which we will review next.

Enhanced CPC is used in conjunction with either manual or automatic bidding. If you are using Enhanced CPC in conjunction with manual bidding, you can still manually adjust your maximum CPC. However, Google may increase your bids up to 30% over your maximum CPC. Google uses several factors to determine bids but largely bases its bids on the history of conversion data.

- **Focus on conversions (Conversion Optimizer):** The Conversion Optimizer is available to users who are tracking conversions, have had at least 15 conversions in the past 30 days, and are seeing a relatively consistent conversion rate during the past 1-2 weeks. You tell Google your maximum CPA or your target CPA (the average amount you would like to pay per action), and it adjusts your bids to meet these goals. As with Enhanced CPC, Google uses historical conversion data and other factors such as match type, user location, time of day, and language. With the Conversion Optimizer option, you are relinquishing a greater amount of control to Google. In general, the Conversion Optimizer works best on more mature campaigns that have significant amounts of conversion data and don't require as much optimization work.

  As you set up the Conversion Optimizer, Google will recommend a CPA. With maximum CPA, Google looks at the current bids for each keyword and the corresponding conversion rates. The bids are averaged together and weighted based on the number of conversions for a given keyword. The recommended target CPA is based on an average CPA over the past 30 days. We recommend starting with Google's recommended CPA and adjusting as you acquire performance data.

  CPAs can be set at the ad group level, so you will want to adjust your CPAs accordingly. For example, an average sale of blue widgets is $50, but the average sale of green widgets is $10. If you are following best practices and tightly theming your ad groups, setting up CPA goals per ad group should come naturally and you should be ready to set accurate maximum or target CPAs for both blue and green widgets.

  We recommend using Enhanced CPC for accounts with lower number of conversions, say 10 to 15 in the last 30 days and using Conversion Optimizer for accounts with high numbers of conversions. With both Enhanced CPC and the Conversion Optimizer, be warned that if your conversion tracking stops for some reason, you will need to switch back to manual bidding, or you will lose traffic.

- **Focus on impressions**: This bidding option is only available on the Display Network. With CPM bidding, you tell Google how much you are willing to spend per 1,000 impressions. This is a common choice when focusing on brand recognition.

Whichever method you choose, the result is that each keyword is assigned a bid amount. However, the actual amount charged by Google is determined through an auction process. Let's start by talking about this process on the Google Search Network.

The Google Search Network Auction Process

Each time a user does a search on Google or one of Google's search partners, an automated auction occurs in real-time. Keywords matched to the search query are entered into an auction, and an *ad rank* is determined for each ad in the auction. Google places the ad with the highest ad rank at the top position and so forth for each ad in the auction. Google uses the following formula to determine ad rank:

Ad Rank = (Quality Score) x (Maximum Cost-Per-Click)

The maximum cost-per-click is set via one of the bidding options discussed previously. The Quality Score is a numerical value from 1 to 10 that Google attributes to each keyword; it quantifies the concept of relevancy in the auction process.

Quality Score

The Quality Score is a central component of the AdWords system; it directly influences when and where your ads will appear on a search results page, as well as how much you are charged per click. *Developing a thorough understanding of Quality Score is one of the most important things you can do to advance the performance of your AdWords account.* The Quality Score is a *dynamic variable*, meaning that each keyword is assigned a Quality Score each time an auction is executed. Google is partially transparent about how your keyword Quality Score is determined, as we will explain shortly. Although the actual number used by Google is several decimals long, Quality Scores revealed by Google range from 1 to 10, with 10 being the best. Here's one way of looking at your Quality Scores:

- **1-2 (Poor)**: Your ad will rarely show.

- **3-4 (Poor)**: Higher bids required for your ads to show.

- **5-6-7 (OK)**: Your ads may show, depending on competition.

- **8-9 (Great)**: You have an advantage over other bidders.

- **10 (Great)**: You have an advantage and should be seeing very good cost-benefit results in your campaign.

The Quality Score is based on several factors. The primary factors are the following:

- **The click-through rate**: A keyword past history of CTR is the most significant element of a keyword's Quality Score. Google uses click-through rate as a representation of "votes" for your ad from users on the web. By using this data, Google is able to use observed user behavior as a factor in click cost. Google treats the CTR on each of the networks separately. Therefore, when advertising on the Google search network, the CTR comes only from search results on the Search Network. When advertising on the Display Network, the CTR from the Display Network is used.

Because different ad positions naturally have an impact on click-through rate, Google normalizes CTR based on position. Google sets the Quality Score on the exact match version of a keyword. Therefore, if you have the same keyword in your account entered for more than one match type, only the CTR from the exact match version is used. If you are not using exact match, Google will base the Quality Score on the results from queries that were exact matches to search query of the current auction.

- **The click-through rate of the display URL**: Much like the CTR of your keywords, Google tracks the CTR of the display URLS within your ads. This is the fourth line of your ad text, and it tells the searcher where they will be taken when they click your ad. Google tracks the ad text and the display URL separately so it's important to give some thought to the display URL line of your ads. We will discuss display URLs in detail in Chapter 7.

- **Relevance**: This is a major consideration in Google's ad system. The more you hang out in Google's world, the more you will hear this phrase. Relevance is the correlation between the keywords, the ads displayed for those keywords, and the landing page of the ad. Google is in the business of delivering content relevant to a users search, including relevant ads. The more relevant ads and landing pages are to the users' search queries, the more positive experiences a user will have and the more likely they are to use Google's search and other services. The theory is that a system that's relevant throughout works for everyone. Advertisers see positive results from their ads, searchers see consistent results that address their search needs, and Google has users returning to use its products. Figure 2-4 shows an example flow of a relevant keyword (Aspen Vacation Rentals)—to ad—to landing page.

Figure 2-4. Ad (top) and landing page (bottom) for keyword "Aspen Vacation Rentals"

In this example, both the ad text and the page title of the landing page contain the targeted keyword. Here are some important considerations to keep in mind when tuning your campaign to improve performance:

- **Landing page quality:** Does the information on the landing page match what was promised in the ad? Do you have useful information about the products you are advertising?

- **Transparency:** Is the nature of your business clear to the user? Are you open about how you intend to use the visitor's information? Do you faithfully interact with visitors' computers? Is there a link to your privacy policy?

- **Navigability:** Do you have a clear path for the visitor to buy the product offered in your ad? Do you avoid the use of pop-ups and pop-unders? Does your page load quickly?

If you are promoting a legitimate business with legitimate products, meeting these criteria should come naturally. Google determines landing page quality on a pass/fail scale. If your landing page quality is high, this will go a long way toward improving this part of your Quality Score. (However, never underestimate the power of a fine-tuned landing page to keep your visitors engaged, happy, and ready to convert. We will talk more about this in Chapter 7.)

Here are several other factors that affect your Quality Score:

- **Account history based on the geographic region where the ads are going to be displayed**: Because Google determines the quality for each auction dynamically, it can base the score on a per-query base. A keyword that performs better in certain locations will have a higher Quality Score for auctions in those locations.

- **Overall account history**: In addition to keywords, Google assigns a Quality Score to each account. An account Quality Score is based on the historical performance of the keywords and ads in that account. Therefore, building history with Google and continually optimizing your account will help your overall performance. Older, well-managed accounts will perform better than new ones.

- **Other factors:** The calculation for Quality Score is more complex than simply summing the factors listed previously. There are grey areas that many have complained make the process nontransparent and tend to give Google the edge in increasing your costs and their revenues.

There are several advantages to using a Quality Score system. Through its quality scoring system, Google can effectively weed out the ads and advertisers that are not legitimate, while at the same time rewarding customers that play the game well. In addition, by using a system that emphasizes click-through rate, Google is able to boost its revenue potential. An ad generating no clicks does nothing for Google or its users—and only wastes real estate that could be occupied by an ad that does receive clicks (i.e., Makes Google Money).

Your Quality Score is available in several places within your account. The best place to see the Quality Score of your keywords is at the keyword level of an account. By default, the Quality Score column isn't displayed. We will explain how to display the Quality Score column when we discuss Quality Score optimization in Chapter 10. It's also possible to view Quality Scores through the AdWords Editor Tool. Although Google shows a Quality Score for each keyword, there is currently no way to review Quality Score history. We will talk more about tracking Quality Scores in Chapter 10.

When creating a new account, you will notice that Google immediately assigns a Quality Score to your keywords, even before your ads are first displayed. This preliminary score is based on the performance history of the keyword with other advertisers. A newly added keyword must reach an impression share threshold before it's given a unique Quality Score. This threshold is in the thousands. For this reason, keywords with low search volume will take longer to reflect a true Quality Score for your account. In this case, one option is to include keywords set to broad match keywords to help reach a greater number of impressions; however, depending on the available budget, this may not be cost-efficient.

Other Uses for Quality Score

Google also uses your Quality Score as a factor when determining the minimum first page bid for a keyword. This is another reason to monitor your Quality Score closely, since first page bid minimums can affect your ability to make it into the first page auction at a reasonable CPC. Figure 2-5 is an example from a live account showing how first page minimum bids increase as the Quality Score decreases.
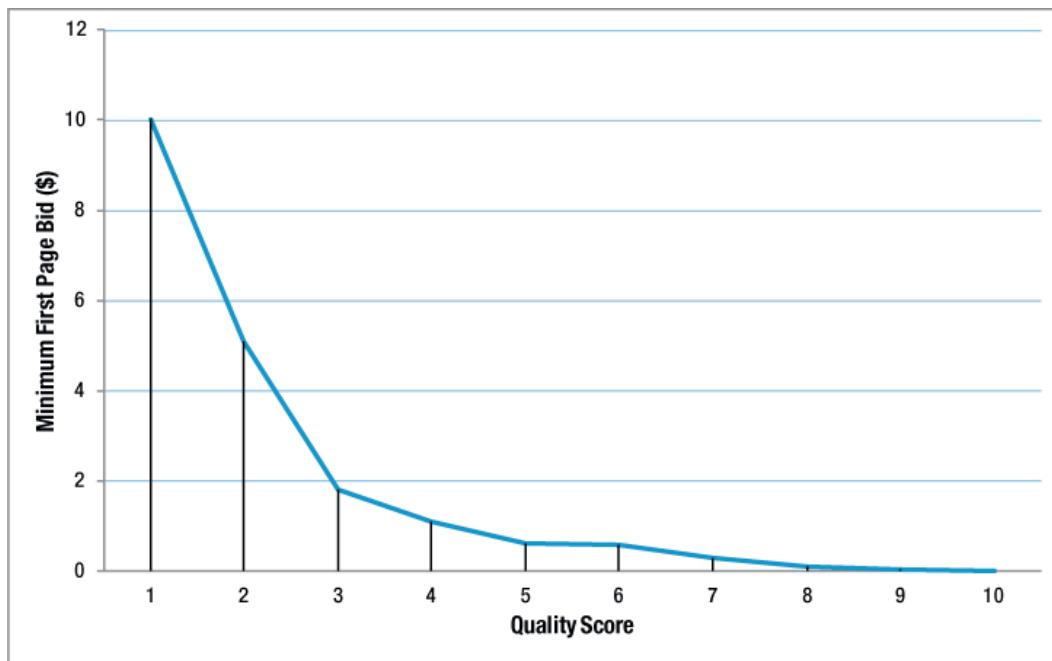
Figure 2-5. *Inverse relationship of minimum first page bid vs. Quality Score*

Your Quality Score is also important for auction eligibility. If your Quality Score is not high enough, your ad will not be entered into the auction and therefore your ad has no chance of appearing. In this case, it doesn't matter how much you bid on a keyword, your ad will not show. The Quality Score is the main determining factor.

Just to reiterate the point, Quality Score is a critical component of the AdWords system. We will go into more detail about how to improve your Quality Score when we discuss account optimization in Chapter 10.

Payment on the Search Network

Now that Google has determined where your ad will appear, the actual cost is determined by comparing your ad against other ads in the auction. You pay $0.01 more than the advertiser ranked immediately below you does. The formula for calculating the actual CPC is

Actual CPC = (Ad Rank of the Advertiser Below You/Your Quality Score) +$0.01

The ad with the lowest ad rank will only pay Google's minimum price requirement. Keywords with good Quality Scores and thus good ad rank will be able to beat out competitors for the top position, often paying less than a competitor for a top spot.

Sample Auction

Let's put all this together to see an example of what an auction looks like. In this example, a keyword with a lower bid but higher Quality Score wins the top position.

First, Google determines the ad rank, as shown in Table 2-1.

Table 2-1. Ad Ranks

	Quality Score	Max Bid	Ad Rank	Ad Position
Advertiser A	5	$0.75	3.75	2
Advertiser B	8	$0.50	4	1
Advertiser C	3	$1.00	3	3
Advertiser D	6	$0.25	1.5	4

Next, Google determines the cost for each advertiser, as shown in Table 2-2.

Table 2-2. Advertiser Costs

	Max Bid	Quality Score	Ad Rank	Actual CPC
Advertiser B	$0.50	8	4	(3.75/8) + $0.01 = $0.48
Advertiser A	$0.75	5	3.75	(3/5) + $0.01 = $0.61
Advertiser C	$1.00	3	3	(1.5/3) + $0.01 = $0.51
Advertiser D	$0.25	6	1.5	Min Price

As you can see from this example, advertisers pay less than their respective maximum bid. Also, note that Advertiser C in the third position pays more than Advertiser B in the first position because of C's lower Quality Score.

The Display Network Auction Process

Campaigns running on the Display Network should be set to appear only on the Display Network. This allows you to take advantage of the alternative pricing options for display ads, as well as to bid separately. We will cover the specifics of creating and optimizing ads on the Display Network in Chapter 8.

As with the Search Network, an auction process determines when and where an ad will appear on the Display Network. Again, ad rank is calculated at the time of the auction. The formula is slightly different for the keyword-targeted ad and placement-targeted ads. The formula for keyword-targeted display ads is

Ad Rank = Quality Score x Display Network Bid

So, once again, Quality Score is an important component when determining cost. The Quality Score is determined differently for keyword-targeted ads and placement-targeted ads. The Quality Score for a keyword-targeted ad is based on the history of your ad's performance on the site in question, the relevancy of your ad and its keywords to the site, and the quality of your landing page.

For placement-targeted campaigns, the formula used to determine ad rank is

Ad Rank = Quality Score x Bid

The method used to determine the Quality Score for placement-targeted bids depends on the selected bidding option. With CPM bidding, the Quality Score is largely based on the quality of your landing page. With CPC bidding, past history of your ad's CTR, along with the quality of your landing page, contribute to your Quality Score.

CPC and CPM ads will compete with each other in the same auction. To equalize the varying bidding options when competing against each other, Google uses an *effective cost-per-thousand* (eCPM) metric. For a CPC ad, Google takes the bid, the CTR, and other factors and averages them for 1,000 impressions to determine the eCPM. Ads with the highest eCPMs are the ones displayed; the number of ads shown varies depending on the number of spots available on a given site.

Smart Pricing

Because of the widely varying nature of the sites within the Display Network, Google uses a feature called *smart pricing* to adjust the cost of a click based on its likelihood of converting. Google keeps track of the conversion data for 30 days and rewards ads that are converting well. The discount comes from the Google portion of the click cost, effectively making the intermediary's cut smaller. In this way, high quality sites within the Display Network are rewarded.

Invalid Clicks and Click Fraud

A question we often get from clients new to AdWords is "What keeps my competitors from clicking on my ad all day and racking up my bill with Google?" Google has a team that's dedicated to tracking fraudulent traffic and will refund you for invalid clicks. To evaluate traffic from click fraud, Google looks at the following:

- The IP address of the click
- Time of click
- Duplicate clicks
- Other click patterns

This system can catch some fraud in real-time. Examples of fraud that can be caught in real-time are repetitive clicks and clicks from locations identified as sources of invalid clicks. If Google deems a click to be fraudulent in real-time, you are never charged for these clicks. The number of invalid clicks that Google traps can be seen in the dimension tab, which you will become familiar with as you progress through this book. In addition, Google looks at the data on a larger scale to detect patterns indicating fraudulent clicks. Charges accrued from these clicks are refunded, and the refund amount will be shown in the billing section of your account.

Summary

We started this chapter by introducing some important terminology to keep in mind as you get up to speed with AdWords. It's important to become familiar with these terms since they are central to the technology and vocabulary of not only Google AdWords, but—more broadly—of online paid placement advertising. These terms should become second nature to you as you read the remaining chapters.

We then covered the structure of an AdWords account, which can be viewed as a hierarchy with the account at the highest level, incorporating one or more ad campaigns at the next level, each of which incorporates one or more ad groups at the lowest level. Each ad group should correspond to a theme in your ad campaign, defined by a keyword or keyword phrase. Keywords are matched to terms used in a Google search according to one of the following four matching schemes:

1. Exact match

2. Phrase match

3. Broad match

4. Broad match modifier

Search matches can also be restricted by negative keywords, which are important for excluding unproductive matches. Using negative keywords should always be considered with broad match keywords.

Next, we covered what's involved in budgeting your ad groups and setting your bid for each group. Each time a search occurs that matches one of your keywords, Google runs a real-time automated auction that determines the relative rank of your ad and its placement in relation to other competing ads.

We covered how the AdWords automated auction system works and how the payments are determined for both the Search Network and the Display Network. We finished by talking about invalid clicks and Google's built-in systems for detecting fraudulent clicks.

In the next chapter, we will introduce some of the more important concepts and considerations involved in marketing with AdWords, and an important way of viewing the process when a person is searching for a product or service on the web. This is called ZMOT, short for "Zero Moment of Truth."

Marketing with AdWords

In the last chapter, we introduced you to the world of AdWords and suggested some rules for playing the game. In this chapter, we will discuss how AdWords can work as an effective marketing tool .We will also discuss the importance of goals to measure the success of your AdWords marketing efforts. AdWords campaigns require continuous improvement (to adopt the phrase of W. Edwards Deming[1]), but improvement requires the ability to track results and gauge success.

This chapter will cover

- Types of searches

- Sales processes and ZMOT

- Measuring AdWords success

Types of Searches

Now that you understand the various keyword match types within the AdWords system, let's talk about why people search and how that comes into play when planning your campaigns.

In general, there are three main types of search queries.

- **Navigational query**: A searcher knows the site they are looking for and usually has a designated task in mind. For example, you need to check your bank balance online with Wells Fargo but you are uncertain of the exact URL for Wells Fargo. You would search for "wells fargo" or "wellsfargo.com." Typically, in this type of search there is one correct answer for the searcher.

- **Transactional query**: A searcher wants to make a purchase or complete a specific task. The searcher could be looking for a local hamburger joint, planning to buy their new book club selection, or signing up for a free trial for a new brand of dog food.

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[1] See the Wikipedia article on Continuous Improvement:
`http://en.wikipedia.org/wiki/Continuous_improvement`

- **Informational query**: A searcher is looking for specific information on a topic. This category covers a broad array of searches. Examples are "signs a toddler is teething" or "phases of the moon." Searches of this type could also be commercial in nature: the information a searcher is looking to start the buying process. For example, "What is the best small digital camera?" is an informational search. The common thread here is that the searcher doesn't have a specific web site in mind and is looking to gather more information. These searches could also be location-specific. For example, the search "dentist in Fairfax, CA" implies the searcher is looking for information that is local in nature.

The goal for a PPC marketer is to think about the searcher's intent when creating campaigns, selecting keywords, and defining goals. A well-defined campaign will have the following flow:

Searcher's intent ➤ Well-matched keyword ➤ Relevant ad text ➤ Relevant content ➤ Conversion

A searcher's intent will also depend on where they are within the sales the cycle. Understanding the sales process from the perspective of your customers helps to define the goals of your paid search campaigns and the goals of your web site. Let's take a look at the sales process in today's marketing world.

Sales Processes and the Zero Moment of Truth

Traditionally, the sales process was described as a funnel (see Figure 3-1.), which we will call the *traditional sales funnel*: wide at the top with lots of potential customers and narrowing as the customer eliminates choices and focuses on certain products.
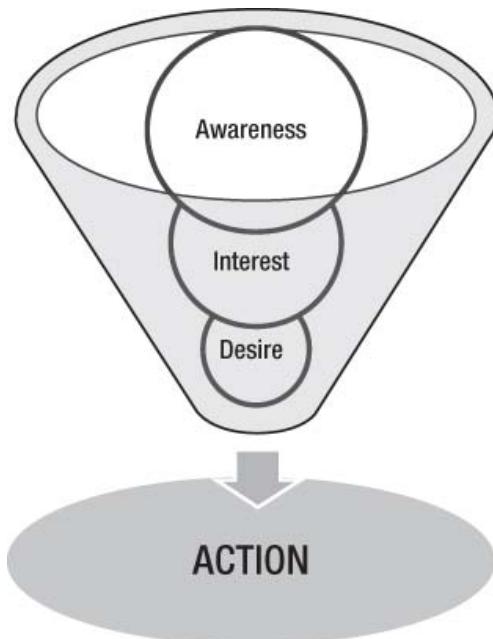
Figure 3-1. The traditional sales funnel

This linear process doesn't really fit into today's interactive world where consumers have greater access to information and a multitude of choices. Figure 3-2 shows one interpretation of today's funnel with a more online twist.
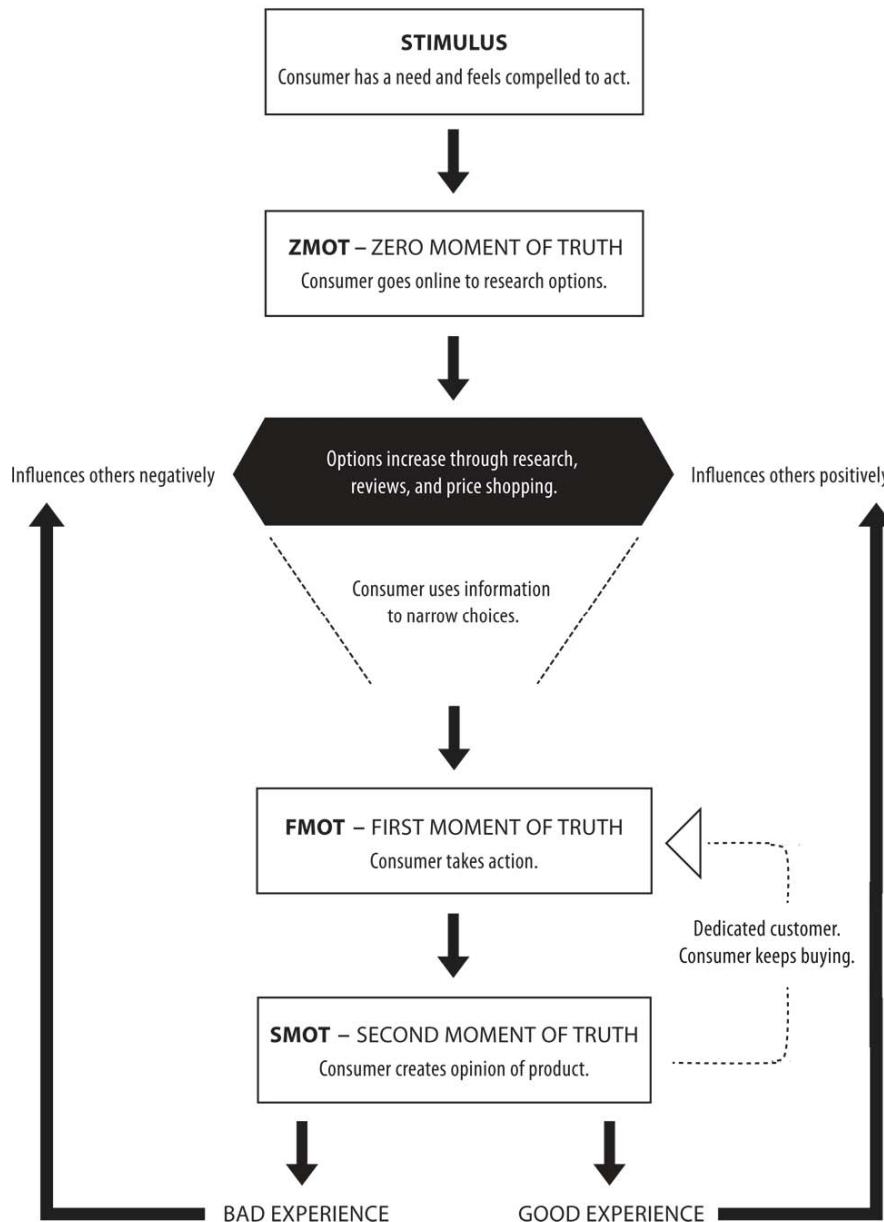
Figure 3-2. The modern (ZMOT) sales process

In today's model, a consumer is more likely to start with a few particular brands in mind. The actual number of products or brands a user considers is typically no more than three to five. The list of brands they are aware of comes from traditional stimulus methods, such as TV, print advertising, and word of mouth. It could be the commercial during the Super Bowl or the ad in *Wired*. In today's world we also have to include new media sources such as social media and display advertising on the Web.

At this point, their interest is usually piqued, and in some cases a consumer has confirmed she has a need. The consumer has a few ideas of what they *think* they want. They go online and truly start the shopping process. According to a 2011 article in the Wall Street Journal, "In-Store Sales Begin at Home,"[2] 70% of shoppers begin the shopping process online. When a consumer goes online to start their search, they are entering what Google calls by the acronym ZMOT, or the Zero Moment of Truth. As a PPC marketer, it's important to understand this step of the sales process.

Proctor and Gamble CEO A.G. Lafley coined the marketing terms FMOT and SMOT in 2005[3]. FMOT (the First Moment of Truth) describes the interaction of the consumer with the store shelf. These are the first seconds that a consumer sees the brand for the first time and makes up her mind about a purchase. It used to be that businesses considered this the key marketing opportunity for a brand. SMOT (the Second Moment of Truth) describes the moment the consumer uses the product, and ultimately their experience with the product. A positive experience leads to a dedicated, and hopefully repeat, customer.

Jim Lecinski, VP of U.S. Sales and Service at Google, created the marketing concept of ZMOT to more accurately depict what happens in today's online world. The ZMOT is what happens before a consumer gets to the shelf. This includes research online through reviews, talking with friends on social networks, and generally educating themselves about various features, benefits, and costs. It also includes shoppers using their mobile phone as they browse a store's shelves. This concept incorporates the fact that a majority of people begin their shopping process with a search.

According to Mr. Lecinski's Google eBook *Winning the Zero Moment of Truth,*[4] there are several characteristics that describe the ZMOT.

- It happens online, typically starting with a search on Google, Bing, Yahoo!, YouTube, or any other search tool or engine.

- It happens in real-time, at any time of the day. More and more it happens on the go: according to IDC, mobile searches more than doubled last year[5]. The consumer is in charge, pulling the information she wants rather than having it pushed to her by others.

- It's emotional. The consumer has a service or product need she wants to satisfy and an emotional investment in finding the best solution.

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[2] "In-Store Sales Begin at Home: Marketers Rethink Strategies as Consumers Research Online Before Making Lists,*"*Wall Street Journal, April 25, 2011.

[3] Kris Matheson, "FMOT, SMOT, and now ZMOT," `www.artisancomplete.com/blog/2011/08/24/fmot-smot-and-now-zmot/`.

[4] Jim Lecinski, *Winning the Zero Moment of Truth* (ZMOT, June 24, 2011). The enhanced Kindle edition (with video/audio) of this book can be downloaded from Amazon.com at no cost. (Accessed January 16, 2012). You can also download the book in PDF and other formats at `www.zeromomentoftruth.com/`.

[5] dotMobi, "US mobile ad expenditure more than doubles to $2.1 billion in 2011, Google dominates, according to IDC", `http://mobithinking.com/blog/mobile-ad-network-share-2011`, December 20, 1011.

- The conversation is multi-way. Marketers, friends, strangers, web sites, and experts all have their say and compete for attention.

Under the traditional model, the funnel narrows as customers move through the cycle, but under Google's revised model, the funnel actually grows larger as customers increase their options through the ZMOT. Customer research leads to reviews, which introduce more products, which leads to more research. Because pricing information is readily available, consumers can build their options based on their list of pricing and specials.

When a consumer chooses to take action, they may experience the FMOT at the store shelf, online, or even over the phone. In the new model, the consumer still experiences the SMOT, but the consequence can resonate further through online social iterations. If consumers have a positive experience, they may become loyal customers and may even get to a place where they advocate your products or services (word-of-mouth), further contributing to the other users' ZMOT, or by acting as a stimulus. If a consumer has a negative experience, they can also choose to impact ZMOT through such avenues as negative online reviews or, in some extreme cases, negative video.

Because of the ease of rapid online information exchange in today's world, the new model creates a system that has a certain positive feedback loop and is amplified by social media and product reviews.

PPC and the New Funnel

As a PPC marketer, how do you play in this system? As Lecinsky states in his book, "You can personalize your message for greatest impact with each possible moment and motivation." Using the system to your advantage means being there when users are searching according to their needs. For example, a searcher in the ZMOT wants information, so taking him to a page that only provides the ability to buy with no extensive data about your product could kill any prospect of a purchase. Table 3-1 shows an overview of when and how PPC can work within this model.

Table 3-1. *Paid Search and the ZMOT Sales Process*

Sales Process	Users Intent	PPC Advertising Options	Sample Keywords/Placements	Goal
Stimulus	Brand awareness	Google Display Network, Budget Optimized Search Network, Social extensions	organic dog food, greenliving.com	High percentage of new visits
ZMOT	Informational searches on Search Network	Google Search Network, Google Display Network, Mobile Search	best organic dog food, organic dog food coupons, dogfoodchat.com, pet store in Austin, TX	Low bounce rate, information gathering, conversions (newsletter sign-ups, white paper download, coupon downloads)

Sales Process	Users Intent	PPC Advertising Options	Sample Keywords/Placements	Goal
FMOT	Transactional searches on Search Network	Google Search Network Product Listing Ads Product extensions Location targeting Location extensions Mobile Search Call extensions Click-to-Call	Blue Buffalo canned dog food, Buy Blue Buffalo dog food, Blue Buffalo Austin, TX	High conversions and transactions

First, PPC advertising can be used to create stimulus. The Display Network is a stimulus tool. As you learned in Chapter 2, the Display Network is made up of over a million content sites on the Web; as an advertiser on this network, you can select sites with content matching your advertising needs.

The Search Network can also be used as a stimulus; however, because search visitors are early in the sales cycle, campaigns should be very budget-minded. Sales conversion rates will be low, but by incorporating Google Analytics data with AdWords data, you can look at additional metrics. For example, looking at the bounce rate of keywords and campaigns tells you whether visitors coming to your site are staying or leaving. The important question is: are you generating interest? This is what you want the data to tell you.

The Google Search Network allows you to be present in Google.com search results pages and the other search engines belonging to the Search Network while searchers are in ZMOT. Because searchers are looking for information and collecting data, they will be making informational queries. A well-designed PPC campaign contains keywords that address a searcher in information gathering mode and takes him to well designed landing pages showing product information. Landing pages should outline features and benefits. Consider educating your customers through white papers, demos, videos, and online training. Because ZMOT can occur with mobile devices (smart phones, wireless tablets, etc.), it's important to address a consumer's experience in the context of mobile technologies. In addition to the Search Network, the Display Network can also be a great way to reach visitors while they are gathering information. Advertising on content pages related to your products means searchers are more likely to see your ads while gathering information on the content site. The Display Network also provides the capability of *remarketing,* which allows you to show your ad to visitors to your site while they browse other content sites. A visitor to your site will be tagged with a cookie and shown your ad while visiting other sites within the Display Network, regardless of whether the content of these pages matches particular keywords. We will explore remarketing more when we discuss the Display Network in Chapter 8.

Google has also incorporated ZMOT in their PPC ads through the use of the +1 button. Introduced in March 2011, the +1 button is a way for people to recommend web sites and ads. It's Google's attempt to add a social component to their search results. When searchers are logged in to their Google accounts, they will see sites and ads that their friends and family have recommended. As of this writing, Google claims that +1s don't affect your quality score. However, it's clear that this can have a potentially large

impact on click-through rate, which in turn will affect your quality score. Because this feature is so new, we will have to wait to see if it catches on and becomes an important part of Google's ad technologies.

Once a consumer has done her research and is ready to buy, she enters the FMOT phase. If a user has a web site in mind, she will make a transactional query. This is also a point where PPC marketing can be helpful. Many businesses rank well on their brand name, and brand name clicks are often low cost. In this case it's possible to dominate the area above the fold. Bidding on your brand name also allows you to control where your visitors are taken; they can be directed to landing pages with more options for conversion. If a consumer has decided on a product and is shopping around, she will often include specific product names and models in her search queries. In Chapter 7, we discuss Product Listing Ads (PLAs) and product sitelinks. These are a great way to use paid ads to tell a consumer you have *exactly* what they need.

How to Measure Marketing Success

Now that you've given some thought to the sales process and possible outcomes from the various stages of the sales funnel, it's time to get serious about your goals. More importantly, how are you going to judge success from your AdWords campaigns?

This is where getting a handle on the data can take you a long way towards understanding whether your campaign is successful, and if not, what you can do to improve your success. Here are at least a few of the questions you should be asking:

- What is the average value of a lead? If 100 people complete your Contact Us form, how many close on average, and what's the average value of a sale resulting from one of these leads?

- How likely is someone who completed your newsletter subscription form, signed-up for your e-mail list, or created an account to convert in the future? Can you assign a value to these actions?

- Are you tracking PPC visitors that become Facebook or Twitter followers? What is the value of a loyal follower?

- Is visitor engagement with your site important to you? Does the amount of time a visitor spends on your site or the number of pages they view help you achieve your goals?

- How much does the average sale generate? What products are the most valuable in terms of your advertising ROI? (More about ROI later.) Do you have e-commerce tracking on your site?

- How long is your sales cycle? Will the tracking method you choose cover the entire length of your sales cycle?

- Do you have an allotted budget to spend with an expected outcome, or do you need to consider the cost of goods, sales commissions, rent, etc.? (Think profit vs. revenue.)

- Do you need to include paid search management fees in your cost structure?

- Do the majority of leads/sales come in via phone? Do you need to be tracking offline conversions as well?

The answers to these questions will be as varied as are the millions of businesses on the Internet. But these are the sorts of questions you need to start thinking about, if you aren't already. In all of these cases, the great benefit of marketing with paid search is that you can track and measure these elements. In contrast to a radio spot (as one example), paid search allows you to see what campaigns, ad groups, and even keywords meet your goals and convert the best. You can also see which ads, positions, and times of the day resulted in the best conversions for your company. Even if you're unsure of your target CPA when you start a campaign, track everything like it matters; you will be able to quantify your results sooner. For the most part, if you want the data, it's there; you just have to make sure you're tracking it properly.

By assigning monetary values to your goals, you can use your bids to control your cost and avoid bidding blindly. The value of a conversion directly relates to what you can pay per click. As an example, let's look at one of the easier types of sites to quantify, an e-commerce site. Let's say that, on average, a customer spends $100 per transaction (a possibility due to the fact that you offer free shipping on orders over $75.) Your average markup is 50%, so for a $100 sale, you have a gross profit of $50. Your goal is to achieve 100% ROI from your paid search campaigns. Currently, you have a conversion rate of 3%. What can you spend per click? For this calculation you use the following formula:

Cost per click = (Average transaction profit/ROI) x Conversion rate

Cost per click = ($50/100%) x 3%

Cost per click = $1.50

Chapter 11 covers how to use Google Analytics to optimize your account. Included in the AdWords data within Google Analytics is a metric called RPC, or return-per-click. This is valuable data for determining what you should be bidding. Of course, this metric doesn't take into account your margins.

In the following sections we discuss three options for tracking conversions: AdWords conversion tracking, Google Analytics, and phone tracking.

AdWords Conversion Tracking

Using the conversion tracking available in AdWords has the advantage of easily integrating into your AdWords results. The process is usually pretty simple. AdWords conversion data is instantly available in your AdWords account interface and provides essential data for making decisions about your account. Tracking conversions with the AdWords system involves inserting a JavaScript code snippet in the HTML of the confirmation page containing the action you're tracking as a conversion, such as the thank you page resulting from a sale or sign-up.

In the next section, we will talk about tracking conversions via Google Analytics. Overall, this is our preferred method, since AdWords tracks only conversions, while Google Analytics provides more robust data about visitor engagement with your site from a variety of sources, not just AdWords. However, if you simply want to run an AdWords account and don't feel the need for deep analytics into your site, AdWords conversion tracking will certainly suffice. Otherwise, take the leap (if you haven't already) and embrace the power of web analytics.

One of the major differences between AdWords conversion tracking and Google Analytics is in the attribution methods. Attribution defines what channel (or source) gets the credit for a conversion. AdWords conversion tracking uses what's called *first-click attribution* and a 30-day cookie to tag visitors from AdWords ads. If the visitor returns within the 30 days and converts, the conversion is logged on the day of the original click. Google Analytics, on the other hand, uses *last-click attribution.* With last-click attribution, the source of the last touch point prior to the conversion gets the credit, and the conversion is logged at the time and date it occurred. For this reason, if using both tracking methods, you will sometimes see discrepancies between conversion data from AdWords tracking and Google Analytics

tracking. In Chapter 11 we discuss Google Analytics in more depth, including multi-channel funnels that help to address last-click attribution within Google Analytics.

The How-To

To track your conversions with AdWords conversion tracking, you can get started by going to Tools and Analysis ▶ Conversions (Figure 3-3). For this example, we will walk you through the process of creating a conversion for tracking the completion of a Contact Us form.

Figure 3-3. Select Conversions from the Tools and Analysis menu

Click on "+New conversion." You will see the options shown in Figure 3-4.
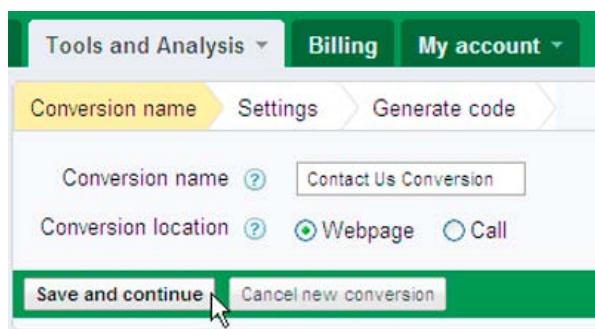
Figure 3-4. Naming your AdWords conversion

Name the conversion to reflect the action you're tracking and select whether you're tracking a webpage or a call. Then click the "Save and continue" button at the bottom.

The next step is to select the settings that define the code generated for your conversion. First, choose a category for the conversion. The options are shown in Figure 3-5.
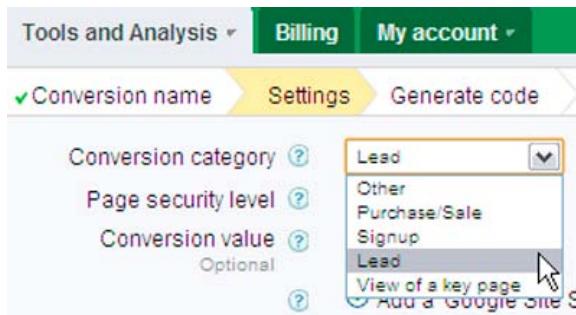
Figure 3-5. Conversion categories

Next, select the page security level for the page you're tracking (top of Figure 3-6). In this example, our page doesn't collect payments and doesn't have SSL security, so we selected HTTP rather than HTTPS.

■ **Note** Selecting HTTP when the page being tagged has SSL security will cause a security warning to display when a visitor reaches the page, which could make visitors question the integrity of your site.

To use another example, let's say that we know from tracking our online leads that an average sale from an online lead generates $10,000 and we have a close rate of 1%. Therefore, the average value of our completed contact form is $100 so we enter $100 as the conversion value. The next section addresses the inclusion of a tracking indicator on your page. If you've included information regarding viewer tracking in your privacy policy, which we recommend, this is unnecessary.

The advanced options involve view-through conversions. A view-through conversion occurs when someone is presented with your ad on the Display Network, doesn't click, and then returns later and converts. The idea is that, although the visitor didn't click your display ad, it influenced other actions. (Obviously, if you're not running display ads, this isn't relevant.) In addition, it's hard to say whether seeing your display ad aided in the conversion. On the plus side, if you're running ads on the Display Network, this is one more way to help evaluate placements. When the conversion occurs as the result of your AdWords ad, the conversion would be counted twice: once as a view-through and once from the ad on the Search Network. Because view-through conversions should not be counted the same as a click-based conversion, the de-duplication setting allows you to only count the conversion as coming from your ad on the Search Network.
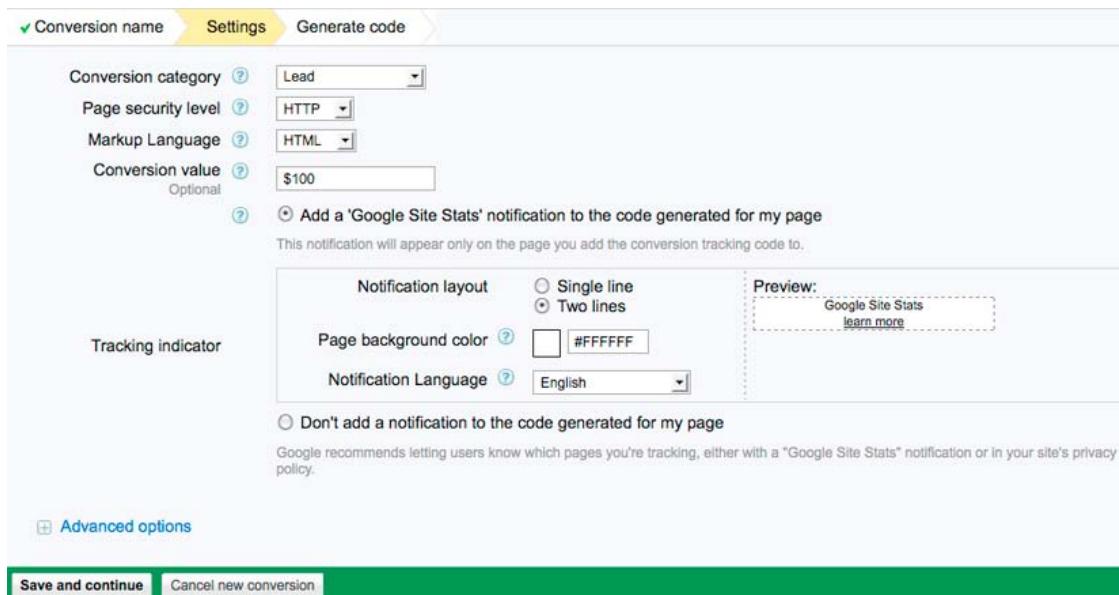
Figure 3-6. Settings for conversion-tracking code generation

In the next step, the JavaScript code snippet is generated. It needs to be copied and pasted before the closing </head> tag of the HTML of your site's conversion page. You have the option of e-mailing the code directly to the developer of your site if you're unable to install the code yourself. Make sure the code is installed on a confirmation page and not on the page that only includes the form. Doing the latter would lead to inflated results, as every view of the form would be erroneously counted as a conversion. Repeat the process for each action you would like to track, generating new code for each case. To confirm that the code is indeed installed on the correct page, use the View Source functionality within your browser to check the source code for the conversion code. The first line of the conversion code will read

```
<!-- Google Code for {Name of Conversion} Conversion Page -->
```

where the name of your conversion is inserted in place of {Name of Conversion}.

Google Analytics

Google Analytics is a free web analytics service offered by Google. It allows you to analyze how visitors get to your site and what they do once they are there.

Conversion metrics in Google Analytics are calculated through the creation of goals. In this section, we will explain the basics of tracking your web site data in Google Analytics and how to create goal metrics. Goals created in Google Analytics can be imported into AdWords, and the statistics from these goals are integrated into the data within your AdWords account. The first step is to install Google Analytics tracking code on your site and test that it is tracking visits to your site's pages.

Creating a Google Analytics Account

If you don't already have a Google Analytics account, you can create one directly from AdWords. The benefit of creating the Google Analytics account via AdWords is that the two accounts are automatically linked. To access Google Analytics from AdWords, navigate to the Tools and Analysis tab and select Google Analytics from the pull-down.

The next screen will prompt you to create a Google Analytics Account (see Figure 3-7). If you already have an account, you will be shown the home screen of your Analytics account.

Figure 3-7. Signing up for a Google Analytics account

Click the Sign up button and you will be taken to the prompts shown in Figure 3-8. Name your account, enter your web site URL, and select your time zone. The data sharing settings are next. By default, both options are selected. Choose the option to share your data "With other Google products only." Checking this setting is what allows you to import your Google Analytics goals into AdWords.

Figure 3-8. Creating a new Google Analytics account

You then need to accept the Google Analytics Terms of Service, after which you will be taken to a page where you can obtain the tracking code, technically called the Google Analytics Tracking Code (GATC). GATC is a snippet of JavaScript code that needs to be inserted into the HTML for all pages of your site. The code is the same for every page and gathers the tracking data stored in your Google Analytics account. For the purposes of this book, we are going to detail a standard installation. For more advanced and custom installations, please see the Google Analytics help page at www.google.com/support/googleanalytics.

Select "A single domain" and make sure to check the box next to "AdWords campaigns," as shown in Figure 3-9.

Figure 3-9. *Generating Google Analytics code for a single domain with an AdWords campaign*

Figure 3-10 shows the code and the directions for pasting the code on your site.

Figure 3-10. *The Google Analytics tracking code (GATC)*

Each Google Analytics account is assigned a UA number. This is a unique ID that defines the data as yours and tells Google to send the information to your account. The UA number is in the format UA-XXXXX-YY, where the X's represent your account number and the Y's represent your profile number. This number is also referred to as the *web property ID*.

Next, place the GATC on each of your web pages. Depending on the size of your site, this can be done in several ways.

- Copy and paste directly into the HTML of your site before the closing </head> tag, which appears near the top of the HTML code.

- If you're using a content management system (CMS), you can add the GATC to your template files. Again, Google recommends placing the code just above the closing </head> tag.

- If you're using a widely-used content management system such as WordPress or Drupal, look for plug-ins or modules that can be installed to work with these CMSs. Usually, after downloading and installing the plug-in or module, all that is required for installation is entering your UA number. The plug-ins and modules often extend the functionality of Google Analytics to include event tracking and more, so there is an advantage to using this method when available.

- If you need to e-mail the code to someone to insert the code for you, click "E-mail these instructions" and then copy the text in the block and paste it in an e-mail.

Be certain that the code is installed on ALL pages of your site. When pages are missing the tracking code, several inaccuracies will appear in your Google Analytics data. Once the code is installed, you should start seeing data in your Google Analytics account within a few hours.

Linking to an Existing Google Analytics Account

If your Google Analytics account was created under a different Google account than your AdWords account, you need to add the login for the AdWords account as an Administrator in the GA account to start the linking process. To do this, log in to your Google Analytics account and click the Admin tab at the top right. Select Profiles ➤ Users ➤ + New User. The Google Analytics and AdWords accounts created with the same Google account are ready to be linked.

Next, navigate to the Tools and Analysis menu within AdWords and select Google Analytics. You will see the home screen of your Google Analytics account, (or accounts if you have multiple Analytics accounts associated with that Google account). Click on Admin in the upper right hand corner. From the list of analytics accounts, select the Google Analytics account to be linked to your AdWords account. Click Data Sources ➤ AdWords ➤ Link Accounts, as shown in Figure 3-11.
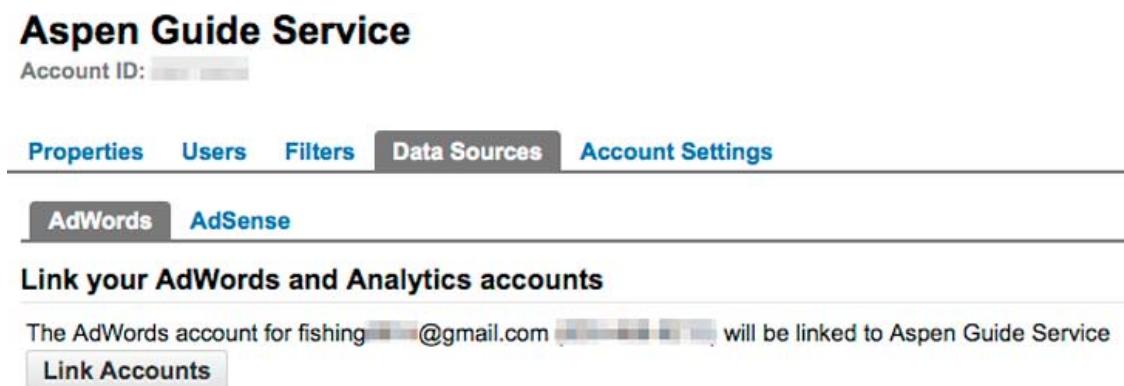
Figure 3-11. Linking a Google Analytics account to your AdWords account

Next, you will see the pop-up panel shown in Figure 3-12. Select "Auto-tag my links." This auto-tagging feature is what allows AdWords data to import into Google Analytics. Without this auto-tagging feature, you would need to manually tag the destination URLs of your campaigns.

With auto-tagging enabled, you will notice the GCLID (short for Google Click ID) parameter appended to your landing page URLs. This parameter is the bolded part in the following URL:

`http://www.alpineproperty.com/vacation-rentals/aspen?`**`gclid=CLrWgdS_1KoCFQFN4Aodt3u61g`**

Use the pull-down to select the profile you would like to link with your AdWords account. (We will discuss profiles more in Chapter 11.)
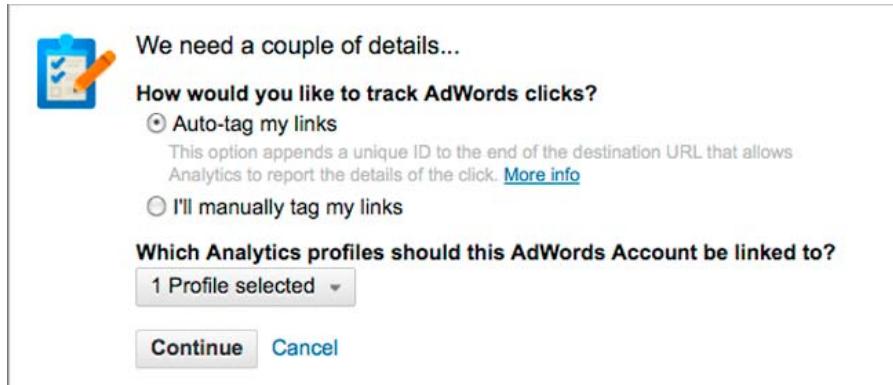
Figure 3-12. Details of linking AdWords and Google Analytics accounts

After clicking the Continue button, you will see a confirmation that the accounts are linked (Figure 3-13).
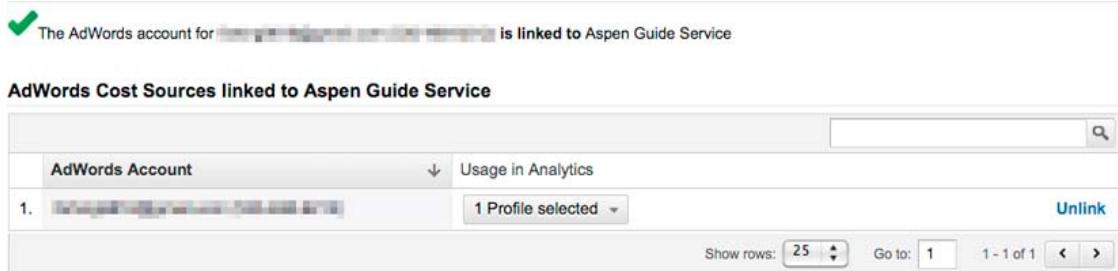
Figure 3-13. Confirmation of linking success

■ **Note** In Google Analytics, paid traffic is labeled as CPC (cost-per-click), so data from AdWords is labeled as "google (cpc)."

Keep in mind that it can take up to 24 hours (after it's first placed on the Google server) for AdWords data to be imported into Google Analytics. The reason for this is that that AdWords' fraud detection algorithms need to run through the account before the data is vetted and eligible to be imported into Analytics.

Using the Analytics URL Builder

When using Google Analytics with ad channels other than AdWords CPC—such as Microsoft AdCenter CPC, newsletters, e-mail campaigns, or banner ads—URL tagging must be done manually if you want tracking to be captured by GA. Google's URL Builder is a web-based tool that helps you create a tagged URL for these situations. As an example, if Aspen Guide Service is using the Bing/CPC channel for ads, Figure 3-14 shows how the URL Builder could be used to create a tagged URL for its landing page. Find the tool at `http://support.google.com/googleanalytics/bin/answer.py?hl=en&answer=55578` or you could simply Google "Analytics URL Builder."

Figure 3-14. Google Analytics URL Builder

As you can see from the figure, all you need to do is enter the URL of the web site landing page and specify the referrer, marketing medium, and campaign name. You can also enter the paid keywords and campaign content (in case the ad is part of an experiment) but these are optional. When you click the Generate URL button, the tagged URL will be generated in the text box at the bottom of the tool. Select the entire string (making sure to scroll to the end), and copy and paste it into your destination URL setting in the interface where you are setting up your non-Google ad (e.g., Microsoft AdCenter). Remember, the URL Builder tool shouldn't be necessary with AdWords, since you can set up auto-

tagging there. For more on URL tagging, see the Google Analytics Help article "How do I tag my links? at `http://support.google.com/googleanalytics/bin/answer.py?hl=en&answer=55518`.

This tool is useful if you have one or three URLs to set up, but what if you have many? Google suggests you can generate a sample URL in the URL Builder tool, then set up a simple formula (using the string concatenation function) to generate the destination URLs using the sample as a template. The campaign variables are saved in columns on the spreadsheet.

Defining Goals in Google Analytics

Thanks to the ease of integrating AdWords with Google Analytics, creating goals in Google Analytics and importing them into AdWords is a great way to measure success. Goals created in Google Analytics can be imported into AdWords, where they are called conversions (since a conversion occurs when a visitor reaches a goal). Currently, Google Analytics allows for the creation of four sets of five goals each. Examples of goals include the following:

- An e-commerce transaction

- The download of a document such as a white paper or brochure

- Views of specific pages

- Completion of a form such as a Contact Us form

- Engagement, such as when a visitor spends over 5 minutes on your site or views more than 5 pages of your site

Defining carefully tuned goals for a paid search campaign is extremely important, since each visitor to your site costs you money.

Creating Goals in Google Analytics

To create goals in Google Analytics, log in to your GA account and click the settings link on the menu ribbon. Select the profile you're using to track your AdWords and/or PPC data. Then click the tab for goals (Figure 3-15). You must be an Account Administrator to configure goals.

Figure 3-15. Goal sets in Google Analytics

To configure a new goal, click the +Goal in the Goal Set where you would like to add your goal. It's best to group similar goals together (Figure 3-16).

Figure 3-16. Creating a new goal in Google Analytics

To create your goal, first decide what you want to name it. The ability to give goals unique names exists for your benefit, so choose something descriptive that will be clear to you. For example, if you are creating a goal to track when someone completes the Contact Us form, a good name would be "Contact Us Completion." If you're tracking when someone completes an e-commence transaction, a good name might be "Completed Transaction."

To start tracking this goal right away, be sure the goal is set to active. If you would like to turn the goal on at a later time, you can set it to inactive and then activate when you're ready. The options for goal type are as follows (also shown in Figure 3-16):

- URL Destination
- Time on Site
- Pages per Visit
- Event

Let's take a look at each of these goal types and how they are created.

URL Destination Goals

With this type of goal, the goal URL is the page that will trigger the completion of your goal. This should be a page that can only be reached when the goal is completed. For example, when tracking a Contact Us form, you will want to track when someone has fully completed the form. This is often done with a thank you or an order confirmation page. Figure 3-17 shows the steps for creating a URL Destination goal.

Figure 3-17. Creating a URL Destination goal

Be certain to track the thank you page and not just the form itself, or you will see inflated data, since visitors can leave the form before completing it.

The choices for match type are

- **Exact match**: This is straightforward. You can simply enter the URL, but you only need to enter what's after the main URL, which is also referred to as the request URI. For the above example, you would enter "/thank-you".

- **Head match**: This is used when the destination URL is followed by unique parameters such as a session identifier. Generally, the session identifier starts with "?". When matching on head match include the complete URL up to the delimiting "?" for the session identifier.

- **Regular expression match**: This allows for the most flexible matching options and requires some basic understanding of regular expressions (sometimes termed *regex* or *regexp*). Use regex match when portions of the URL can vary within the same site. For more information on regular expressions, see the following page on the Google Analytics Help center:
  www.google.com/support/analytics/bin/answer.py?answer=55582

Time on Site Goals

Time on Site goals measure a visitor's engagement with your site by setting a timespan threshold (Figure 3-18). A goal match is triggered when a visitor is on your site for an amount of time greater (or less than) a time specified.

Figure 3-18. Creating a Time on Site goal

Pages per Visit Goals

Pages per Visit goals are similar to Time on Site goals. A goal match is triggered when a visitor views a number of pages greater than, equal to, or less than a specified number (Figure 3-19).

Goals (set 1): Goal 1

General Information

Goal Name   Visited > 5 Pages

      ⊙ Active   ○ Inactive

Goal Type   ○ URL Destination
           ○ Time On Site
           ⊙ Page/Visit
           ○ Event

Goal Details

Visits with	Condition	Number of Pages Visited
Pages Visited	Greater than ⇅	5

Goal Value optional   [   ]

Save   Cancel

Figure 3-19. Creating a Pages per Visit goal

Event Goals

Event tracking is used in Google Analytics to track when a visitor performs a pre-defined client-side action. Event tracking must first be set up before it can be created as a goal. Examples of event tracking are the launch of a video embedded in a page, the download of a PDF document, clicking on an outbound link, or the launch of a Flash element. When events are set up, they include the following required parameters: category and action, and the optional parameters of optional_label and optional_value (Figure 3-20). These parameters can then be used to group events for goal creation.

Figure 3-20. Creating a goal from an event

Goals that are not part of e-commerce can be assigned a value. For example, if 20% of visitors that complete your Contact Us form become customers and the average value (i.e., average gross profit) of a conversion or transaction is $300, then the average value of a visitor completing the Contact Us form is 20% of $300 or $60. Tying these revenue numbers to goals is important when gauging the value of PPC campaigns. Google Analytics automatically generates ROI values for AdWords campaigns. We talk more about these statistics when we discuss Google Analytics as part of optimization and reporting in Chapter 11.

Key Performance Indicators

How do you know how well you're doing with your goals? One approach is by using key performance indicators (KPIs). The KPI concept has been around for years and is often used synonymously with goals. You can apply what is called the SMART criteria to help sharpen the definition of KPIs.

- **S**pecific: The KPI should be specific to the purpose of the business.

- **M**easurable : The KPI should be quantifiable. KPIs are often expressed in the form of a ratio, such as ROI (stated in the form of a percentage) or CPA (stated as a ratio of the total cost of a campaign over a period of time divided the total number of acquisitions generated by the campaign over that time).

- **A**chievable: The KPI should be feasible and realistic. If the means of achieving a goal stated in terms of a KPI aren't within the control of the business, then the KPI doesn't meet this criteria.

- **R**elevant: The KPI should be coupled to the success of the organization.

- **T**ime: Time must be a component of the KPI. An ROI of 50% as a goal isn't meaningful until a period of time is tied to the number. Are you talking about the next quarter or the next year?

ROI is a metric, but not a goal until someone says something like "We're shooting for an ROI of 50% over the next quarter." A ROI of 50% may be either a performance measure of how a particular campaign performed over a particular time period or a stated performance goal, in which case it could be a KPI or a KSI (a key success indicator).

Google's digital marketing evangelist, Avinash Kaushik, has excellent blog post in which he organizes what he considers to be the best KPI's for online advertisers into three categories[6].

- Acquisition

  - Cost per acquisition [SML]*

  - Click-through rate [ML]

  - Percent of new visits [L]

- Visitor behavior

  - Bounce rate [SML]

  - Checkout abandonment rate [SML]

  - Page depth [ML]

  - Loyalty [ML]

  - Events per visit [L]

- Outcomes

  - Macro conversion rate [SML]

  - Micro conversion rate [ML]

  - Per visit goal value [ML]

  - Days to conversion [L]

  - Percent assisted conversions** [L]

* The bracketed letters indicate the business size categories for which the particular KPI is most applicable: S = Small; M=Medium; L=Large. Of course, any of these KPIs can be applied by any size of business. For an explanation of each KPI, see Kaushik's blog post.
** See the section on multi-funnel channels in Chapter 11.

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[6] Avinash Kaushik, "Best Web Metrics/KPIs for a Small, Medium or Large Sized Business," Occam's Razor Blog, www.kaushik.net/avinash/best-web-metrics-kpis-small-medium-large-business/, December 12, 2011.

Phone Tracking

Many business conversions happen offline when a potential customer picks up the phone and calls the business they intend use. There are several options for capturing conversions that occur as a result of your paid ad but that happen over the phone.

First, there are a few options provided in the AdWords system. Ads running on mobile devices can be configured to include click-to-call tracking. We discuss this option in Chapter 9. For ads running on desktops and tablets, AdWords provides click-to-call ad extensions. A unique number is generated for each campaign via Google Voice, and that number is then shown as a phone number in your ad. When a potential customer calls this generated Google Voice number, the call is redirected to your business number. We discuss this approach in Chapter 7.

There are several more sophisticated options on the market through third party vendors. Most work by placing a snippet of code on each page of your site, which generates a dynamic number based on the visitor's source (i.e., paid, organic, or direct). When a visitor comes to your site, the displayed phone number changes depending on their source. Visitors are assigned a cookie and they are displayed the same phone number for the length of the cookie value. Therefore, the original source gets credit if the conversion takes place within the lifetime of the cookie. Many of these software vendors integrate with Google Analytics, so all your data can be retained in one place. Obviously, there are costs associated with this option, but depending on the level of sophistication, this can be as low as $100 a month.

Summary

Understanding why someone is searching is the first step in understanding how you're going to reach potential customers with your ads. The three main types of searches are navigational, informative, and transactional. Each of these types of searches signifies that a consumer is in a different step of the sales process. In today's highly connected world, we have easy access to an immense amount of information while shopping. This requires a new and more complex view of the sales process that includes ZMOT, the moment when a consumer goes online to research a product. At the same time, this consumer may expand the number of products under consideration. Paid search is a valuable tool for reaching consumers throughout this process.

To be successful, a marketing campaign requires a clear articulation and understanding of your goals. When advertising with AdWords, you have the benefit of facilities for tracking data down to the keyword level. AdWords provides conversion tracking and Google Analytics allows you to integrate goals directly into AdWords. Proper setup and configuration is essential to capturing and managing quality data. In addition, there are useful ways of tracking conversions for your AdWords campaign when these conversions occur over the phone.

Once you have a clear picture of your goals, it's time to create your first campaign. This is the subject of our next chapter.

Getting Started with AdWords

In this chapter, we will outline the process of creating an AdWords account so that you can get started on the initial account creation process. We will explain the process from a higher level and highlight where else in this book you can look for more information. We will also cover the basics of the AdWords Editor and the AdWords interface. Lastly, we will discuss the pluses and minuses of using AdWords Express.

The best way to understand AdWords is to simply dig in, so it's time to get your hands dirty.

AdWords

The following steps focus on creating search campaigns. We discuss creating campaigns for the Display Network in Chapter 8. For the sake of this overview, we will discuss the default settings and which of these you should consider changing. The italicized text shows where you can find more information.

Account Creation

First things first: bring up `https://adwords.google.com/` in your browser. Click the Start Now button at the top right. You will be prompted to create a Google Account (Figure 4-1). If you already have an account, you have the option of using your existing account or creating a new one. For the purpose of this exercise, there's no harm in creating a new one, but either way works.
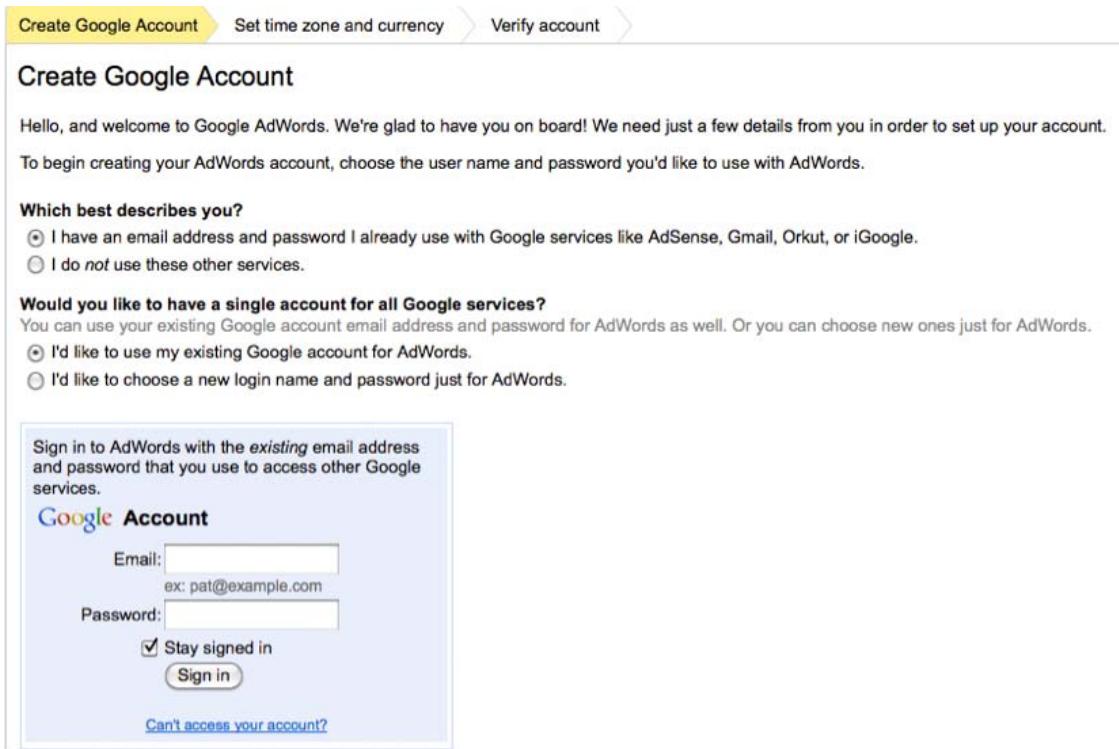
Figure 4-1. Selecting the Google Account to be used for your AdWords account

The setup page will prompt you to set your time zone and currency (Figure 4-2). Be careful to enter the correct information, since you can't change these setting once you make your selection and your account is created. If you need to change these settings later, the only way to do so is by creating an entirely new account.
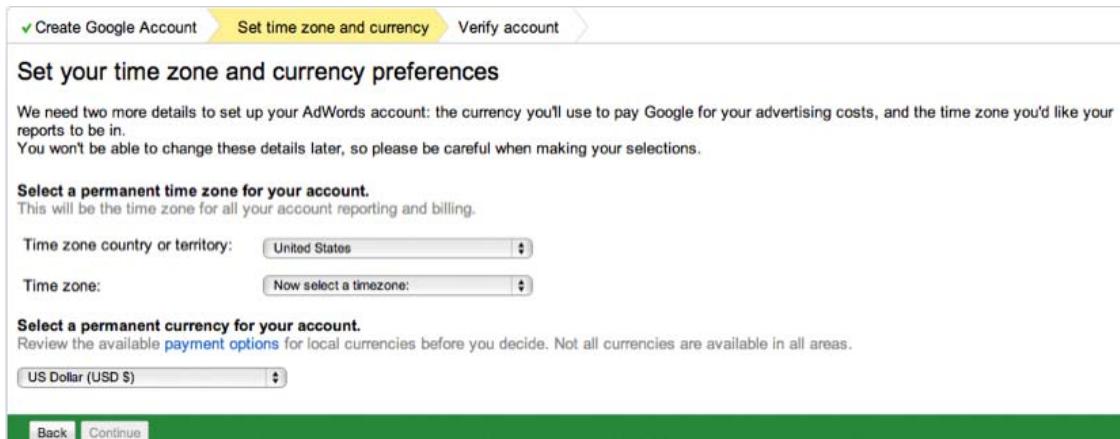
Figure 4-2. Selecting time zone and currency preferences

You can now sign into your AdWords account. If you created a new Google account to start your AdWords account, you will need to verify the e-mail address you used to create the account.

Creating Your First Campaign

The next step is to set up your first campaign (Figure 4-3). The campaign settings are important in determining when and where your ads will show.

Figure 4-3. Campaign settings

- **Load settings:** There are four default choices for choosing your campaign settings.

  - Use Google default settings (not recommended).

  - Load settings based on campaign type:

    - Search Network only

    - Display Network only (text ads)

    - Display Network only (display ad builder)

    - Mobile and tablet devices only

    - Online video (in-stream)

  - Load settings from an existing campaign within your account (not an option in new accounts).

  - Ignore the Load Setting options and manually select the campaign settings.

As you become more familiar with creating campaigns, you can use a blend of these options. For your first campaign, ignore the default option and create your own search campaign.

- **General**: Create a distinguishing name for your campaign. It's best not to change the name of the campaign after you start collecting clicks, since this makes interpreting data in Google Analytics more difficult.

- **Location and languages**: Google will show default options based on your location, including your country, your country and nearby countries and all countries. To select an area smaller than the country-level, click on the radio button next to "Let me choose." We detail the process of location targeting in the next chapter. *See Chapter 5.*

- **Networks, devices, and extensions:** Click the "Let me choose" radio button (Figure 4-4). The expanded options for selecting either the Display or Search Network will display. For a search campaign, choose "Google Search and Search partners." There's currently no way to advertise only on Search partners, but you can choose to have your ads appear only on Google Search. Segmentation is a great way to analyze data by network and to compare results from the Google Search Network and the Search partners. *See Chapter 1, Chapter 8, and Chapter 10.*

Figure 4-4. Network campaign settings

■ **Note** A mistake users often make when starting a campaign is not adjusting the default Network settings. It's best to create separate campaigns for the Search and Display Networks.

- **Bidding and budget**: Tell Google how much you would like to spend and how you would like to bid. Figure 4-5 shows the basic bidding options. For your first search campaign, choose the manual bidding option. The amount you're willing to bid will depend on the goals. Automatic bidding gives Google the right to set your bids for you. As explained in Chapter 2, automatic bidding is a workable selection when are you're only after as many clicks as possible. When using automatic bidding, it's advisable to set a maximum CPC, since Google will spend your daily budget. Keep in mind that you can use more than one bidding style in an account by setting up different campaigns. In some cases, it may make sense to have some keywords set to manual bidding and another campaign set to automatic bidding. Other bidding options include Enhanced CPC and bids based on the Conversion Optimizer. Both of these options require you to use conversion tracking. We discuss these options in detail in Chapter 2, where we talk about AdWords cost.

Bidding and budget

Bidding option ⑦

⊙ Focus on **clicks** - use maximum CPC bids

　　⊙ I'll manually set my bids for clicks

　　○ AdWords will set my bids to help maximize clicks within my target budget

　　Enhanced CPC ⑦

　　☐ Use my conversion tracking data and bids to optimize for conversions
　　　Unavailable because conversion tracking isn't set up. Setup conversion tracking.

○ Focus on **conversions** (Conversion Optimizer) - use CPA bids
　　Unavailable because conversion tracking isn't set up. Setup conversion tracking.

[Save] [Cancel]

Budget ⑦ **$10.00/day** Edit

Figure 4-5. Bidding and budget options

- **Budget:** Enter the maximum amount you're willing to spend per day. Depending on the search volume for your keywords in a given campaign, your budget may deplete quickly; on the other hand, it's possible you won't reach the maximum on most days. Good keyword research will help you understand where to set your budget. *See Chapter 6.*

- **Delivery method**: The default delivery method is Standard. This option will show your ads evenly over time during the course of the day starting at midnight. In most cases, this is the best selection and ensures that your ads are visible throughout the day. Because budgets are set at the daily level, if Google doesn't show ads evenly over time, your budget could evaporate early in the day. As your campaigns run, you may find certain times of the day convert better than others. In this case, use ad scheduling (discussed later in this chapter) to set the hours of the day you want your ads to run. The Accelerated option will show your ads as often as possible until your budget is exhausted.

- **Ad extensions**: This is one of the newer features in AdWords. As this is your first campaign and you're just learning the system, we will skip this advanced feature for now. However, ad extensions are very useful, and we recommend you use this feature. We discuss ad extensions in further detail when talking about ad creation and location targeting. *See Chapter 7 and Chapter 5.*

- **Advanced settings**: These settings allow you to fine-tune when your ads appear.

    - **Schedule**: The first setting within the schedule settings allows you to define a start and end date for your campaign. Say you're running a seasonal campaign or offering a special promotion that has an end date. In these situations, it's helpful to pre-set your end date so your ads stop running at the correct time.

    - **Ad scheduling**: This allows you to choose the days of the week and/or hours that you your ads will display. Perhaps certain hours of the day show higher conversion rates, or perhaps you want to offer a special for certain days of the week. *See Chapter 7.*

    - **Ad delivery**: Figure 4-6 shows the options for ad delivery. By default, Google optimizes for clicks, showing the ads with the highest click-through rate more often. However, Google tends to declare a winner before enough significant data has been compiled. Therefore, it's often best to choose "Rotate: show ads more evenly" when testing ad text. You can then analyze the data and choose the better performing ad. If you're following best practices on your first account, you will need to constantly test ad text (right?). So selecting "Rotate" is a good idea.

Figure 4-6. Ad delivery options

    - **Frequency capping**: This feature only pertains to the Display Network and allows you to limit the number of times a unique user sees your ad. *See Chapter 8.*

    - **Demographic bidding**: Again, this feature only pertains to the Display Network and is used to define the visitors that see your ad based on age or gender. *See Chapter 8.*

- **Social settings**: Once again, this setting is only relevant to the Display Network (at this time) and allows you to include the Google +1 button on your ads running on the Display Network. *See Chapter 8.*

- **Automatic campaign optimization**: In the Display Network you can choose to target based on keywords and placements, or through auto-optimization based on conversions. *See Chapter 8.*

- **Experiment**: This feature is useful for testing new bids, keywords, and ad groups for a portion of your account. If you like the results, you can roll out completely. *See Chapter 10.*

Once you've finished with all of the settings, be sure to click "Save and Continue."

Create Ads and Keywords

For new campaigns, you will be prompted to create your first ad. For established accounts with existing campaigns, the next step is creating an ad group. In either case, the next step will be to create your first ad and enter keywords.

- **Create an ad**: Choose an ad type. For starting purposes, create a simple ad text that matches your first ad group. You will be able to go back and update this text later. *See Chapter 7.*

- **Keywords**: Enter your keywords for your first ad group. If you have already completed your keyword research, you can cut and paste your keywords into this section. You can also upload keywords from a spreadsheet file. You can refine your keywords later, so if keyword research is incomplete, enter some placeholder keywords. *See Chapter 6.*

- **Ad group default bids**: In the previous settings page where you set your campaign settings, you ostensibly established a daily budget. Here is where you set the ad group level bid. It's also possible to set bids at the keyword level, so this is a good place to enter an average maximum bid. You can fine-tune this at the keyword level later. If you had selected automatic bidding in the campaign setting, you wouldn't be prompted to enter information about your bids on this page.

At this point, you can choose either "Save and continue to billing" or "Set up billing later."

Enter Billing Information

Follow these steps to set up your billing information.

1. Select the country or territory where your billing address is located.

2. Tell Google how you would like to pay for your ads. Choose carefully, as you can't change your selection later. Payment options vary by country. To see more details on the options for your country, click on "payments options" in the top section of the page.

3. Google will display the options available to you based on your country selection. In general, your choices are as follows:

- **Postpay billing (automatic billing)**: Advertisers in the US have the choice of directly debiting their bank account or credit card after they have accrued charges. Outside the US, credit card payment is the only option. For new accounts, Google will charge a $5 activation fee and then charge the card again once click charges reach $50 or 30 days elapse, whichever happens first. Once you reach the $50 threshold, the threshold is increased to $200, then $350, and then $500. Every time you reach a threshold within 30 days, the threshold is raised. Note that $500 is the final threshold, and if you have a substantial budget you will still be charged every time your balance reaches $500. If you have an account with a large budget, this means your card could be charged more than once a day. However, it's possible to make manual deposits, which could be helpful in accounts with a high ad spend.

- **Pre-pay billing (manual billing)**: With pre-pay billing, you must ad funds to your account first, and Google then deducts payments from that balance. Google will notify you when your balance falls below a certain amount; if you run out of funds, Google will stop showing your ads. You can pre-pay with credit card, debit card, or bank transfer.

4. Agree to Terms

5. Provide billing details by entering card information and a promotional code if you have one.

■ **Note** At the writing of this book, Google was offering many promotions for credit when starting a new campaign. You have 14 days from the *creation* of an AdWords campaign to enter the promotional credit.

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6. Save and activate.

Create Additional Ad Groups and/or Campaigns

When adding your second campaign or ad group in a new account, Google will guide you through the process of selecting either an ad group or campaign. For previously created accounts, a new campaign or ad group is created by navigating to the ad group or campaign level of your account, and clicking on either "add new campaign" or "ad group" within the main table. Repeat the process we just reviewed: create the campaign (and/or ad group), pay close attention to the settings you select, then create the first ad and add keywords.

Once you have all your campaigns and ad groups configured, review your campaign settings. Double-check your budget settings; an extra zero can cause your ad costs to add up fast! Make sure each ad group has at least two ads. Take a close look at your keywords, and double-check keyword match types and any keyword-level bids. If your ads have been approved, you have active keywords, and you have entered your billing information, your ads will start running immediately. Off to the races!

AdWords Editor

Another option for building out your account is the AdWords Editor tool. AdWords Editor is a free desktop tool that allows you to make changes to your account offline. Once the tool is loaded on your desktop, you can download your account information, edit and make changes, and then post your changes to your online account. AdWords Editor is handy when making bulk changes and for replicating portions of your account. It's also a great way to export a snapshot of your account or any portion of it (we like to send clients a PDF of their account for review or approval).

Download AdWords Editor by going to www.google.com/adwordseditor/. AdWords Editor works on both PCs and Macs. After you install and open the program, the first step is to download your data from AdWords. Go to File ➤ Open Account ➤ Add Account. Enter the same information that you use to log in to your AdWords account. If you're managing accounts via My Client Center (MCC), you can use the MCC login and then select the account you want to work with from the list of accounts in your MCC. You then choose the data you would like to download, as shown in Figure 4-7.
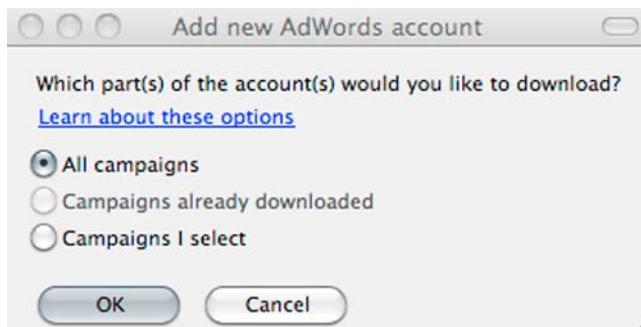
Figure 4-7. Adding account data to AdWords Editor

Depending on the size of your account and the task at hand, select the amount of data you need. If you're working with an old account with several paused campaigns, downloading only the current campaigns is one way to cut down on the "noise."

The campaigns will be listed in the tree navigation frame on the left of the screen. The tabs across the top of the main frame determine the data shown in the table, which is also the data available to be edited. In Figure 4-8, the Campaigns tab is selected, so the details of your campaign settings are outlined in the table.

Figure 4-8. Campaign-level data in AdWords Editor

At this point you have a few options for making changes. You can click on the item you would like to change and make the change inline (Figure 4-9).
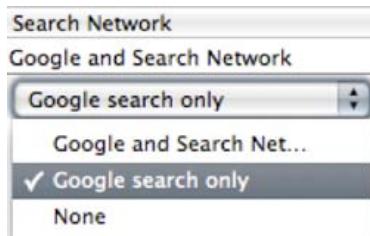
Figure 4-9. Making changes inline

Alternatively, you can select the campaign you would like to work with; it will be highlighted in blue. Make your change by using the pull-downs and write-ins at the bottom of the screen (Figure 4-10).

Figure 4-10. Making changes in AdWords Editor

As you can see, you're looking at all the same data from your online account, but in a slightly different view. If you're new to AdWords, you may be looking at this and saying, "What's the big deal? It's the same data I've been working with in the AdWords web interface." Well, let us tell you: it's a big deal. Here are some of the great advantages to using AdWords Editor.

Bulk Changes

For example, say that you or your client launches a new web site and you need to update the destination URLs in your account. Pull up the Ads tab in AdWords Editor (at the highest level of the account) and paste the new URL in one, convenient screen. (If you want to keep the data from your old ads, first copy all the old ads, place them on pause, and then change the URL in the newly copied ads.)

Find and Replace

Figure 4-11 shows how you would update destination URLs using *find and replace*. To access this feature, go to the Edit menu and select "Replace text in selected items."
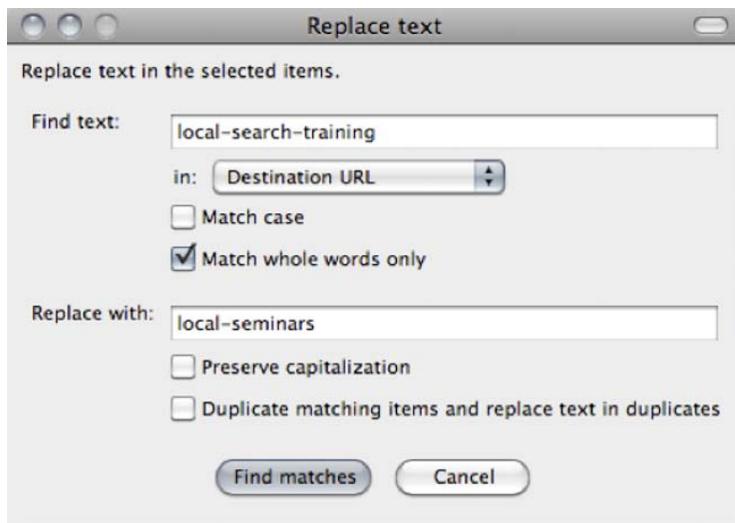
Figure 4-11. Find and replace in AdWords Editor

This is just one example of how *find and replace* can be used. Others include changing prices or specials (50% to 40%) in ads. Additionally, you can duplicate an item while also doing a replace. For example, you can replicate an ad while replacing text within the ad. (See the "Duplicate matching items and replace text in duplicates" option in Figure 4-11.

If you really want to get fancy with *find and replace*, you can use *formula words*. Formula words can be executed using any of the editable fields within AdWords Editor. Basically, formula words are a quick way to replace the text of an editable field with another editable field. So how is this applicable? For example, say you have a shoe store that sells all kinds of shoes. You have a campaign for tennis shoes but within that campaign you would like a separate ad group for kids' tennis shoes, ladies' tennis shoes, and men's tennis shoes. These are your root keywords. Copy the same list of keywords to each ad group. Name your ad groups to match the specific type of tennis shoes you want to advertise. For this example, let's say your ad groups are named kids, ladies, and mens. If you select your keywords and activate the replace tool, the example in Figure 4-12 will replace the general keywords with keywords that are specific to your ad groups.
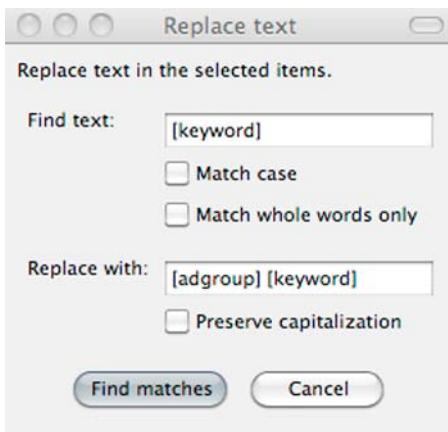
Figure 4-12. Find and replace using formula words

Find and replace is great tool to become familiar with and keep in your bag of time-saving tricks.

Uploading Data from Excel

For large accounts with thousands of keywords, using Excel to upload is a great time saver. To get started, go to the Keywords tab and click "Make multiple changes," then select "Add/update multiple keywords" from the pull-down (Figure 4-13).
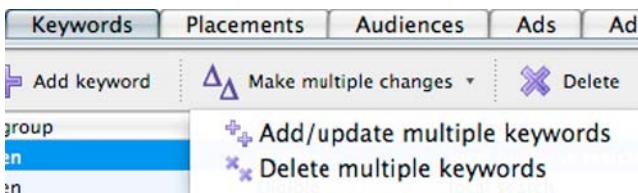
Figure 4-13. Adding multiple keywords in AdWords Editor

The screen that pops up is your prompt to add keywords in bulk. AdWords Editor will be looking for the following: Campaign, Ad Group, Keyword, Type (Match Type), Max CPC, Destination URL, and Keyword Status. Create a spreadsheet with each of these data types as a column. Only the first four are required; the rest are optional. You can then cut and paste the data from your spreadsheet into the prompt, as shown in Figure 4-14.
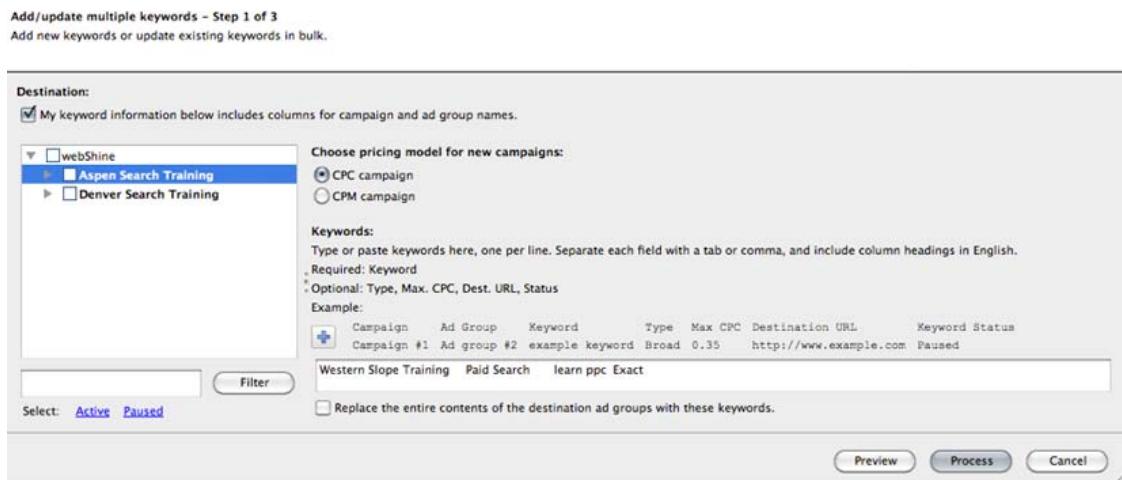
Figure 4-14. *Cutting and pasting keywords from a spreadsheet*

Cut and Paste

This makes it easy to replicate any portion of your campaign. For example, let's say you have several ad groups in a campaign promoting your condo rentals in Branson, MO. One of your ad groups focuses on more general Branson keywords and it's eating up your budget. You need to move it to a separate campaign so you have better control of the budget. AdWords Editor makes this a snap. Click the Campaign tab and create your new campaign by clicking "+Add campaign." Navigate to the ad group that you would like to move, highlight it, and copy. Navigate to the new campaign and hit paste. Now go back to the original ad group and pause it. As they would say in Branson, "Easy as pie!"

Another productive use for copy and paste is the creation of split-test ads. Make a copy of an ad and change the element you would like to test. This allows you to create a similar ad without starting from scratch. Some suggestions for ad testing are your titles, calls to action, or display URLs. We will talk more about testing ad text in Chapter 7.

Error Flags

When using AdWords Editor to make changes and additions to your account, potential errors are flagged. Before data is posted to your account, these errors will need to be fixed. Isn't it nice to know that someone is looking out for you?

Exporting Data

To see your options for exporting data, go to the File menu (Figure 4-15).

Export spreadsheet (CSV)	▶
Export spreadsheet with images (ZIP)	▶
Export backup (AEA)	▶
Export changes for sharing (AES)	▶
Export summary (HTML)	▶
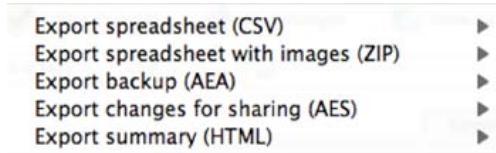
Figure 4-15. Options for exporting data in AdWords Editor

Let's go through these various options:

- **CSV**: Because of its compatibility with Excel, CSV (comma-separated values) is often a helpful format. Make changes using Excel features (such as filters and pivot tables), save the spreadsheet as a CSV file, then import the changes back into your account. When exporting your account for import into other vendors such as MSN AdCenter, you will want to use CSV.

- **AEA**: This stands for AdWords Editor Archive and it is useful for backing up your account data. This is a proprietary format and only works with AdWords Editor.

- **AES**: This stands for AdWords Editor Share and, again, is a proprietary format. It's best used for sharing data that doesn't need to be imported back into the editor at a later time.

- **HTML:** This creates a nice-looking web page layout of your account. We like to save the HTML file as a PDF when sharing account layouts with those who are not-so-PPC-savvy. The HTML layout includes campaign settings, keywords, and ad text without the use of dull-looking spreadsheets.

When you're ready to post your changes, make sure you're online and then click "Post changes." The changes will immediately appear in your AdWords account online.

Although it might seem like a lot of trouble to learn a second interface, understanding some of the time-saving functionality available in AdWords Editor will be a benefit in the long run. Speaking of learning interfaces, it's time to turn your attention to the AdWords interface and some details that will make navigating through your new account easier.

The AdWords Interface

The AdWords interface can be a bit overwhelming when first learning your way around. This section will help you navigate through some of the more important details of the interface as well as highlight where you can customize the data.

Google released an updated version of the AdWords interface in July of 2009. Initially, the new interface was met with skepticism, as it was a bit more complicated than the old interface. As we heard someone say, "It has more bells and whistles than a NASA spaceship." However, with time, experience, and some guidance, we believe you will come to appreciate how streamlined and effective it is.

Date Range

Because the date range feature affects information you see on nearly every other section of the interface, let's start here. The date range is set in the upper right corner (Figure 4-16).
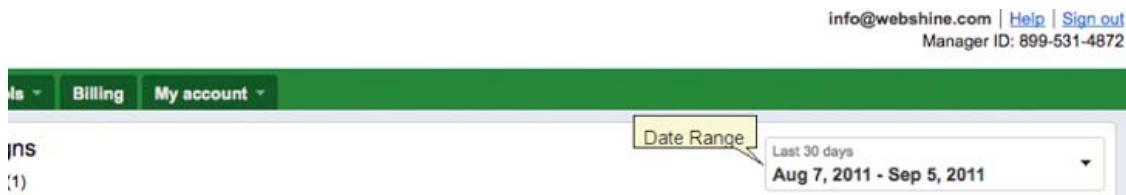
Figure 4-16. Date range box

Clicking anywhere on the date range box will activate a pull-down menu (Figure 4-17).
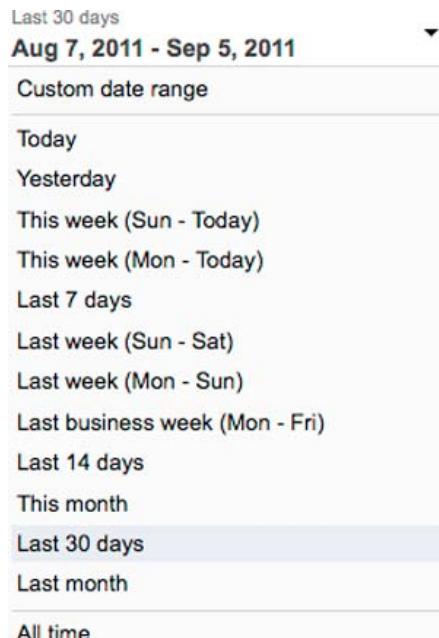
Figure 4-17. Date range pull-down

As you can see in Figure 4-17, Google provides a number of default options. To select a custom date range, you can either click the "Custom date range" option in the pull-down menu or click the date field. Both choices require you to click the start and end date and to select a date from the calendar.

Home Screen

The home screen provides a snapshot into your account performance and can be customized to show the metrics most important to you. The metrics shown are based on the saved filters created within the campaigns tab. This information can also be accessed from a mobile phone and will replicate the data shown on your desktop. By default, Google provides variety of metrics based on preloaded filters. To view Google's list of filters, click the Customize modules in the top left and you will see the list of Google's preloaded filters (Figure 4-18).

Select modules

Specify which modules you'd like to appear on your Home tab. These m

Module	Show?
✎ Good quality but low traffic keywords	☑
✎ Keywords below first page bid	☑
✎ All enabled keywords	☑
✎ All non-active keywords	☑
📁 Active	☑
📁 All enabled campaigns	☑
📁 All non-active campaigns	☑
📄 Active	☑
📄 All enabled ad groups	☑
📄 All non-active ad groups	☑

Figure 4-18. *List of preloaded filters*

Figure 4-19 shows an example of filtered data displayed on the Home tab.

✎ Keywords below first page bid (1)

Keyword	Clicks	Cost	CTR	Impr.	Conv. (1/click)
● villas at snowmass club	0	$0.00	0.00%	12	0

View saved filter »   1-1 of 1

Figure 4-19. *Filter results displayed on the Home tab*

If you click "View saved filter" (bottom left of Figure 4-19), you will be taken to the area within your account where the filter was created. From here you can easily act on the data within your account. In the example shown in Figure 4-19, you will be taken to the Keywords tab and the keywords displayed will

meet the criteria for the "Keywords below the first page bids" filter (Figure 4-20). Use this as an opportunity to increase your bids so your ads appear on the first page.
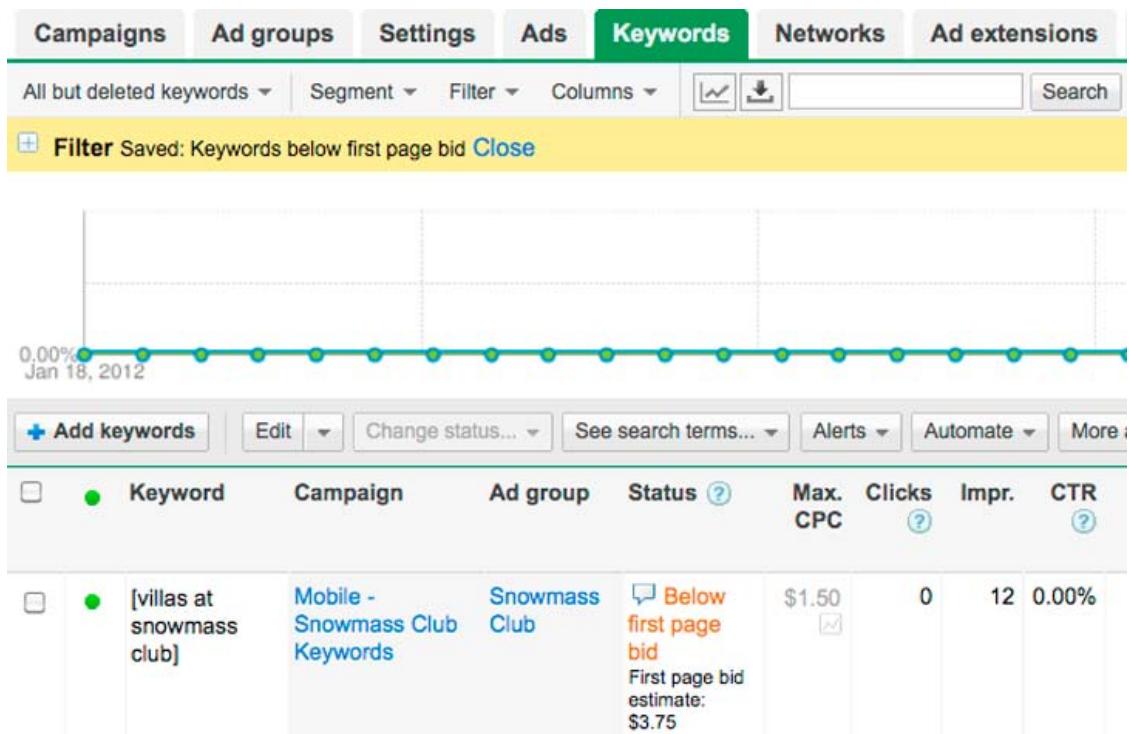
Figure 4-20. Keywords meeting criteria from a filter on the Home tab

The options for filter creation are almost limitless. We will discuss filter creation when we talk about optimizing your account in Chapter 11.

To see your home screen on your mobile phone, access your AdWords account from your mobile phone. As of this writing, this feature is not available for MCC accounts.

Navigating the Data

There are several ways to navigate through your account information. The first is via the tree navigator on the left of the screen. Campaigns are listed with a file symbol, and active campaigns are shown in blue. The tree navigator allows you to move quickly from ad group to ad group. If you don't want to use the tree navigator, the panel may be minimized by clicking the double arrows at the top right of the tree navigator panel (Figure 4-21).
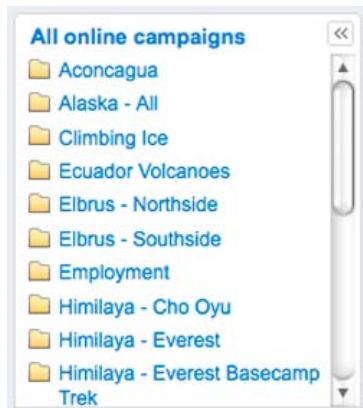
Figure 4-21. Campaign navigation

The second option for navigation is the tab set across the middle of the screen (Figure 4-22).

Figure 4-22. Campaign tab sub-navigation

Yet another option is using the breadcrumb navigation at the top of the main screen (Figure 4-23).

Figure 4-23. Breadcrumb navigation

You can also navigate by clicking within the main table to drill down from a campaign to an ad group.

The information displayed in the main table will be for the entire account, a campaign, or an ad group. Whichever method you're using to navigate between campaigns and ad groups, the area displaying the breadcrumb navigation is a good point of reference to see where you are within the account. If you're looking at data for the entire account, you will see "All online campaigns" listed at the top. If you're seeing data from a campaign, the name of the campaign will be listed next to the open file folder symbol (Figure 4-24).

Figure 4-24. Breadcrumb navigation for the campaign level

If you're looking at data related a particular ad group, the name of the ad group will be shown (Figure 4-25).

All online campaigns > Propane - Clear Lake >

📑 Ad group: **Propane - Exact**

Figure 4-25. Breadcrumb navigation for the ad group level

Once you're familiar with the data and what you're looking for, navigating from campaigns to ad groups will become second nature.

Keyword Data

Keywords data can be shown at the account, campaign, or ad group level. This allows you to easily see all the keywords in your account, so you can quickly answer questions such as "What is the most expensive keyword in my account?"

One of the major benefits introduced with the new AdWords interface in 2009 was the ability to click on areas with the table and edit data in place. However, keep in mind that editing a keyword inline will remove (delete) the old item and all the data associated with it. We recommend adding a new keyword with the updated match type and pausing the old keyword so you can continue to reference the old data. You can also change bids by clicking the bid amount in the Max CPC column.

Keywords may be bulk edited through the use of tables or spreadsheets. This allows you to use spreadsheet features such as formulas to make changes across keywords. For example, if you wanted to set your bids at 25% more than the first page CPC, you can use the spreadsheet option to automate this change across all your keywords.

It's possible to move keywords within the interface by clicking the keywords and then selecting More selections ➤ Copy. Select the appropriate ad group and then pause the keywords in the original ad group.

Customizing Columns

By clicking any column heading, the data will be sorted on that column. To customize the columns, click the pull-down next to Columns. Click the metrics you would like to see in your table, then click "Save." You can also save several variations of metric displays by making your selections, clicking "Save this set of columns," and naming that group of metrics. Your saved views will then show up under the Columns pull-down.
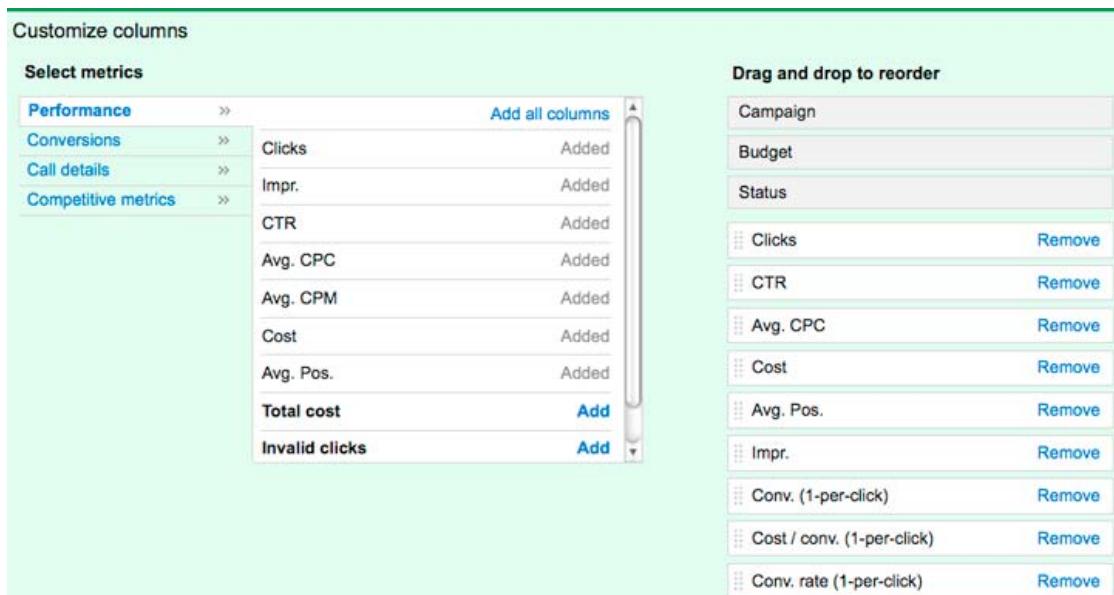
Figure 4-26. Column customization

Figure 4-26 shows the column customization interface. As you can see, there's a wide variety of metrics from which to choose. In addition, the options change depending on the tab you're viewing. You can change the column order by dragging the name of the column under the Preview column. The options are broken out into several groups.

- **Performance**: Any campaign can benefit from performance metrics.

- **Conversions**: Obviously, only campaigns with conversion tracking will benefit from this data. Even with conversion tracking turned on, you will need to customize the columns to see conversion data. We explained the various types of conversions in Chapter 3 when we discussed conversion tracking.

- **Call details (ad group and campaign level)**: When phone extensions are enabled (see Chapter 7), these statistics will show how many times visitors used the Click-to-Call feature.

- **Competitive metrics**: The AdWords help center defines *impression share* (IS) as "the percentage of impressions you received divided by the estimated number of impressions you were eligible to receive." This is similar to the term *share of voice* used in the advertising industry. Within the possible inventory, how often is your ad appearing? It's a good way to measure the competitive landscape.

  When used in conjunction with Lost IS (Rank) (the percentage of time that your ads weren't shown due to poor ad rank) and Lost IS (Budget) (the percentage of time your ads weren't shown due to insufficient budget) you can see where you're missing potential traffic. If you're missing traffic because of rank, you will want to optimize for ad rank to gain more share. If you're missing traffic

due to budget, you're missing out on available traffic due to your daily budget. Exact match IS represents the percentage of times your keywords were exactly matched to a search query.

- **Attributes**: These vary based on the data you're viewing. For example, keyword data includes attributes such as estimated top of page bid, match type, and quality score.

Performance Graphs

The performance graph is displayed in the campaign, ad group, keyword, and ad sections of the main table and gives a visual perspective to your data. You can choose what metrics are shown, compare two metrics, or compare a metric over two different time frames. To change the graph data, click the ⊠ graph symbol and select the metrics you wish to compare from the pull-down. Figure 4-27 shows a sample graph that compares average position to conversion rate.

Figure 4-27. Example of a performance graph

Segments

The Segments feature allows you to see data at a more detailed level. The options available depend on whether you're in the Campaigns tab, Ad Groups tab, or the Keyword tab. Figure 4-28 shows the segmentation options available when viewing data at the Campaign level.

Figure 4-28. Segmentation options at the Campaign level

The data available for segmentation has many applications. Top vs. side ad placement segmentation is a recently introduced option that has quickly proven itself helpful.

Ad group	Status ⑦	Default Max. CPC	Display Network Max. CPC ⑦	Clicks ⑦	Impr.	CTR ⑦	Avg. CPC ⑦	Cost	Avg. Pos.	Conv. (1-per-click) ⑦	Cost / conv. (1-per-click) ⑦	Conv. rate (1-per-click) ⑦	V
Aspen Music Festival - Exact	Eligible	$0.10 ⬈	auto	367	4,821	7.61%	$0.05	$17.04	1.3	3	$5.68	0.82%	
Google search: Top				325	2,214	14.68%	$0.05	$14.63	1.1	3	$4.88	0.92%	
Google search: Side				8	2,313	0.35%	$0.06	$0.44	1.6	0	$0.00	0.00%	
Google search: Other ⑦				0	0	0.00%	$0.00	$0.00	0	0	$0.00	0.00%	

Figure 4-29. Top vs.side segmentation

The data in Figure 4-29 show us that ads appearing in the top positions have a click-through rate that's 42% higher that ads appearing in the side positions.

AdWords Express

In July of 2011 Google launched AdWords Express, formerly known as Google Boost. It could be described as a "fast and light" version of AdWords, aimed primarily at helping local small businesses establish an AdWords marketing presence with a very short ramp-up time, usually fifteen minutes or so. As AdWords becomes more and more complex, it's harder to describe AdWords as a simple, self-service portal. (But, you know that or you wouldn't be reading this book!) AdWords Express is Google's attempt

to keep things simple for the little guy. Candidates for using AdWords Express over AdWords are small businesses with a local focus, a small budget, and little time or resources for managing AdWords.

With AdWords Express, Google selects the keywords for you based on the categories that you match to your business. Google also recommends a budget based on your categories; however, you can select any budget you choose. All AdWords Express accounts are defaulted to show your ads within 25 kilometers (15.5 miles) of your business location; this can't be adjusted.

Although the set-up process differs from that of standard AdWords, behind the scenes Google is actually creating an AdWords account for you. Once you have completed the setup of an AdWords Express account, you can use the same login to access a read-only version of the AdWords account. Google creates a campaign for each category you select and creates several location-specific ad groups within each campaign. Generally, there's an ad group for each of the following:

- The category

- The category with ZIP code

- The category with location

- Business name

- Business name with ZIP code

- Business name with category

- Business name with category and ZIP code

- Business name with category and location

Additionally, there may be customized ad groups that include additional keywords with ZIP code, business name, and location combinations.

Bids are set to automatic bidding and you create ads within the setup process. You have the choice of directing your ads to your Places page, your Google +1 page, or your web site. If you choose to have your ads take visitors to your web site, it's possible to link the AdWords account Google created to your Analytics account. To do this, login to your AdWords Express account via the AdWords interface and follow the normal procedure for linking AdWords and Analytics (see Chapter 3).

If you haven't set up your Places page prior to creating an AdWords Express account, you will be prompted to do this after you select your category (categories), create your ad(s), and enter your billing information. We recommend claiming your Places Pages whether or not you're interested in AdWords Express.

One of the biggest drawbacks to AdWords Express is the limited ability to make changes. Other than changing ad text or categories, your hands are pretty well tied. By linking the AdWords Express account to Google Analytics, you can at least determine an ROI. However, if it's not satisfactory, you have little choice but to turn the campaign off.

So far, we have seen mixed results. Because you're not selecting the keywords, it's important to check in frequently to see what keywords are receiving clicks and what your overall cost per click is. In some cases, we have seen CPCs as high as $10! However, we have also seen accounts with a lower-than-average CPC for a competitive keyword. Our advice is, if you're a small business owner and don't want to get bogged down in AdWords management, give it a shot. But keep a close eye on the results and the keywords triggering your ad. Ideally, you could access the AdWords version of the account and pause some ad groups. It appears to us that the majority of the ad groups created by Google are relevant. However, it only takes one rogue ad group, or even a perverse keyword, to put your account on a dark path.

Summary

As the AdWords interface becomes increasingly sophisticated, it also becomes increasingly overwhelming at first blush. Creating a campaign and becoming familiar with your options for navigating your account and performance data is essential for a successful campaign. In this chapter, we walked you through the steps for creating your first campaign in AdWords. We introduced the AdWords Editor as another option for building out your account, along with several of its timesaving tricks. Lastly, we discussed the advantages and disadvantages of AdWords Express, a quick-start version of AdWords with limited options for optimization or control.

From here we will go into more specific details on how to optimize your AdWords account to meet your specific needs. Our first detailed topic, which we outline in the next chapter, is location and language targeting.

Local Advertising and Location Targeting

The ability to target your customers is one of the great benefits of pay-per-click marketing. In this chapter, we cover how to set your campaigns to target specific locations, whether at the ZIP code, city, state, national, or international levels. We also discuss language settings, location-based ad text, and interpreting geographic data.

Location targeting is helpful whether you're a plumber looking to advertise to local customers or a multinational corporation with an international reach. Using AdWord's location settings, you can reach customers within a few miles of your business or customers across multiple countries. Before we explain how to choose the locations you would like to target, let's discuss Google's methods for determining a user's location.

■ **Note** Google recently changed its terminology in this area from "geotargeting" to "location targeting." One explanation for this change may be that it makes the vocabulary more consistent with other components of the AdWords system, such as location extensions. If you have previously been working with AdWords, you should be aware of this change.

How Google Determines Location

Google uses several factors to determine a searcher's location. First, Google looks at the Google search engine extension. Each country has an extension, so users in France user Google.fr and users in New Zealand use Google.co.nz. If a user wishes to see ads targeted to New Zealand while located in the US, they could go to Google.co.nz. The ads displayed are matched from the targeted country to the search engine extension regardless of the physical location of the searcher.

Next, Google looks at the search query to determine whether it includes location-based information that tells Google about the searcher's intent. For example, say the owner of a yoga studio in Pittsburgh has their ads set to display only in the Pittsburgh area. However, someone in Steamboat, CO (obviously outside the targeted area) searches for "Pittsburgh yoga studio." Google would use the location data within the search query as a clue to show the ad targeted for a Pittsburgh yoga studio. This only applies to searches targeted within the user's country.

When possible, Google uses the physical location of the searcher to determine what ad to display. Google uses the searcher's IP address to identify a searcher's physical location. Because IP addresses don't always correctly reflect a user's location, this approach has limitations. Users accessing the web

through an ISP, which is the majority of users, will appear to be located near the ISP. Users accessing the web through a business VPN could appear to be located at the business headquarters. This means that a user located in your desired area but using an ISP that is outside your desired area may not see your ad. This could also mean users outside your desired area could see your ad when they're not your target audience. The best solution to this problem is to use both location targeting and geographically targeted keywords. We will discuss this later in this chapter.

Google allows advertisers to choose how they prefer Google to define a user's location through the Campaign setting options shown in Figure 5-1.
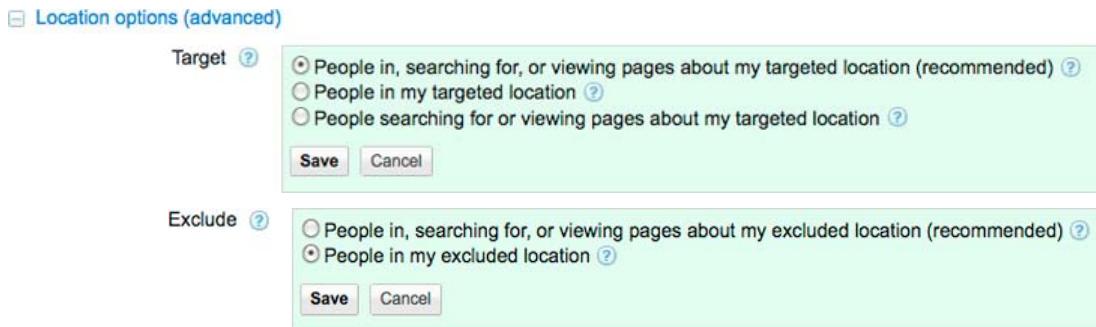
Figure 5-1. *Advanced location options*

In most cases the default, which targets people in searching for, or viewing pages about your location, is the best option. Other options include targeting based only on the searcher's location or based only on location-specific information from the search query, or when viewing pages about your location. The two options for location exclusion enable you to tell Google you don't want someone in your excluded area to see your ads, even when they use a keyword including the geographic area or are viewing pages about your location. For example, say you're a hotel in Seattle and you would like to offer a special only to out-of-town visitors. You have targeted your ads to show to people outside of Seattle. If you choose to "Exclude by physical location and searcher intent," a person in Seattle searching for "Seattle hotels" won't see your ads. Before Google implemented this option, excluding users based on search intent wasn't possible.

Location Settings

When you first create a campaign, Google will pre-populate options for the Location and Languages settings with the following choices: your country, your country and nearby countries that speak the same language, and all countries and territories. Google's default selection is your country and nearby countries that speak the same language. For example, advertisers in the USA will be defaulted to the United States and Canada. As shown in Figure 5-2, you can also manually enter locations.

Locations and Languages

Locations ⑦   In what geographical locations do you want your ads to appear?

○ All countries and territories
⊙ United States and Canada
○ United States
○ Let me choose...

[Enter a location such as a city, region, or country]   Show map | Send feedback

Languages ⑦   What languages do your customers speak?
English Edit

Figure 5-2. *Locations and Languages options*

To select a location manually, you can start the process by entering the location in the box under the "Let me choose" option. As you type, Google will populate a list of possible locations (Figure 5-3). Google lists possible cities that are matches, locations that enclose the possible matches as well as related locations.

Englewood	Advanced search	
Matches	Reach ⑦	
Englewood, Colorado, United States - city	20,000	Add | Exclude | Nearby
Englewood, New Jersey, United States - city	10,000	Add | Exclude | Nearby
Englewood, Florida, United States - city	9,000	Add | Exclude | Nearby
Englewood Cliffs, New Jersey, United States - city	4,000	Add | Exclude | Nearby
Englewood, Ohio, United States - city	7,000	Add | Exclude | Nearby
Locations that enclose: Englewood, Colorado, United States		
Denver CO, Colorado, United States - metro	3,180,000	Add | Exclude | Nearby
Colorado, United States - state	3,680,000	Add | Exclude | Nearby
United States - country	175,000,000	**Added** | Nearby
Related locations		
Athens, Tennessee, United States ▭ - city	4,000	Add | Exclude | Nearby
Wichita-Hutchinson KS, Kansas, United States ▭ - metro	370,000	Add | Exclude | Nearby
Bedford, Indiana, United States ▭ - city	5,000	Add | Exclude | Nearby
Frackville, Pennsylvania, United States ▭ - city ⚠ Limited reach ⑦	--	Add | Exclude | Nearby
Faith, South Dakota, United States ▭ - city ⚠ Limited reach ⑦	--	Add | Exclude | Nearby

Figure 5-3. *A pre-populated list of locations*

As you continue to type, the list of locations will become smaller (Figure 5-4).

Figure 5-4. Matched cities from manually added locations

As you can see in both Figures 5-3 and 5-4, location data includes a column called Reach. Reach is not based on population data but on the number of users that Google has seen on their properties in a given location. Use reach as a guide to see the size of a locations' audience. Locations listed as limited reach have a low number of users associated with an area. This could because of Google's limited ability to associate user IP addresses with a location or because there are few users in that area.

Click "Show map" to see a map layout of the locations you have selected. These locations will be highlighted in blue, as shown by the shaded area in Figure 5-5.
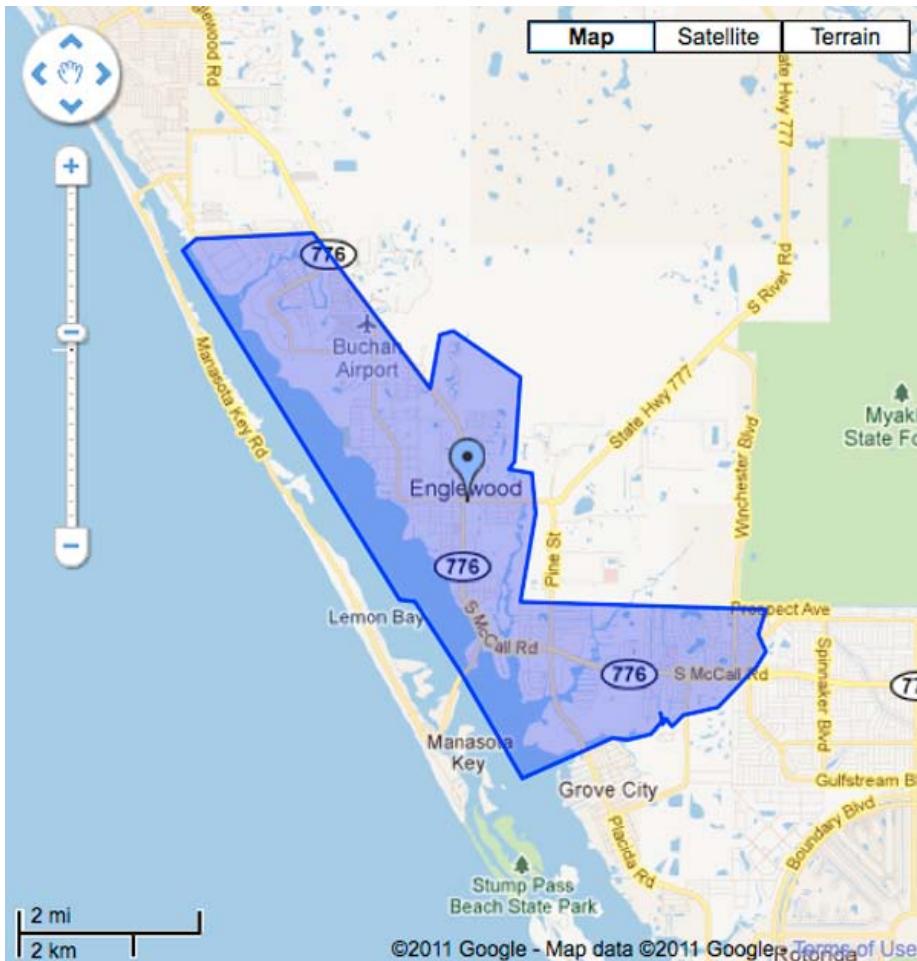
Figure 5-5. *The "Show map" view of selected locations*

Once on the map interface, you can also select your targeted areas through *proximity targeting.* Otherwise known as *targeting a radius,* proximity targeting allows you to enter a location and define a radius around that area. Click on the tab for Radius targeting and enter your location. Once you select a radius and click Map, the area covered by the radius will appear as a grayed area on the map. Google will also list the locations within your newly targeted area. If you like what you see, click "Add" within the map or add individual locations by clikcking "Add" next to the list of locations within your area. You also have the option to see areas nearby by clicking "Nearby." Once you've selected your desired locations, click "Done."

In addition to telling Google where you would like your ads to show, you can also identify areas you would like to exclude.

Excluding Locations

Google allows you to exclude areas within your selected locations. There is no reason to exclude areas outside your chosen location, as not choosing them is technically the same as excluding them. To exclude an area, populate the list within the map infterface with the areas that you would like to exclude and click on "Exclude." Again, you view the map to see the areas that you've excluded, which will be highlighted in red.

Excluding areas allows you not to show your ads in particular areas that you do not serve, thus configuring your targeting more precisely. One example would be a franchise not allowed to advertise in certain areas.

Language Settings and Considerations

In addition to defining the locations where you would like your ad to show, you need to tell Google what language your target audience speaks. Google looks at the language preference setting in a user's browser's to determine if it matches the language that your campaign is set to target. For example, say you have chosen to target your ads to Canada. This means your ads will appear on www.Google.ca. As you just learned, the location setting determines the domain extension. However, if you choose English as your language, your ads will not be shown to users of www.Google.ca that have their language preference set to French (or any other language, for that matter).

Google doesn't translate ad content, so you should target your campaigns to match the language of your site and ads. If you choose to target another language—say Spanish—and your ads are in English, Google will show your English ads to Spanish users. If you want to target users in another language, it's best to set up a campaign targeting that language and translate your ads as well as your site. If you're targeting ads to several countries with various languages, and your ads are in English, only those users with their browsers set to English will see your ads. This means it's possible to market internationally without translating your ads; however, the number of impressions will be lower than would occur in an English-speaking country. Figure 5-6 shows the language options available in the campaign settings.

Languages ⑦ What languages do your customers speak?
This setting determines whether your ad can show for a specific language setting on Google. Note that AdWords doesn't translate your ads.

☐ All languages		
☐ Arabic	☐ German	☐ Portuguese
☐ Bulgarian	☐ Greek	☐ Romanian
☐ Catalan	☐ Hebrew	☐ Russian
☐ Chinese (simplified)	☐ Hindi	☐ Serbian
☐ Chinese (traditional)	☐ Hungarian	☐ Slovak
☐ Croatian	☐ Icelandic	☐ Slovenian
☐ Czech	☐ Indonesian	☐ Spanish
☐ Danish	☐ Italian	☐ Swedish
☐ Dutch	☐ Japanese	☐ Thai
☑ English	☐ Korean	☐ Turkish
☐ Estonian	☐ Latvian	☐ Ukrainian
☐ Filipino	☐ Lithuanian	☐ Urdu
☐ Finnish	☐ Norwegian	☐ Vietnamese
☐ French	☐ Polish	

Figure 5-6. Language options

Targeting campaigns internationally can be a great way for international companies to promote their products across multiple countries. Keep the following considerations in mind when conducting international campaigns:

- The more effort you put into translating your ads, the better your chances of success. Although automated tools, such as Google Translate, are available, the best quality is achieved by using a native speaker or translator. Spending the time and money on a quality translation could make a big difference in your campaign's success.

- Create a separate campaign for each language you plan on targeting.

- Translate your landing page and/or web site to match the language you're targeting. You won't generate sales by paying to bring someone to a site they can't read.

- Extra care in selecting your keywords is well advised. Words can often have multiple meanings when translated into another language. Do your research and consult a native speaker.

Location and Language Setting in AdWords Editor

It's also possible to set location preferences through AdWords Editor. To access the location and language settings, navigate to the campaign tab and find the Language and Location information, as shown in Figure 5-7.

Figure 5-7. Editing the Language and Location targeting in AdWords Editor

Edit the language selection by clicking Edit. You will see a pop-up similar to the one shown in Figure 5-8 that allows you to select your language or languages.

Figure 5-8. Selecting languages in AdWords Editor

To edit the location, click Edit next to Location targeting. The screen shown in Figure 5-9 will appear. Use the radio buttons to define the specificity and, if needed, choose from the list of pre-populated options.
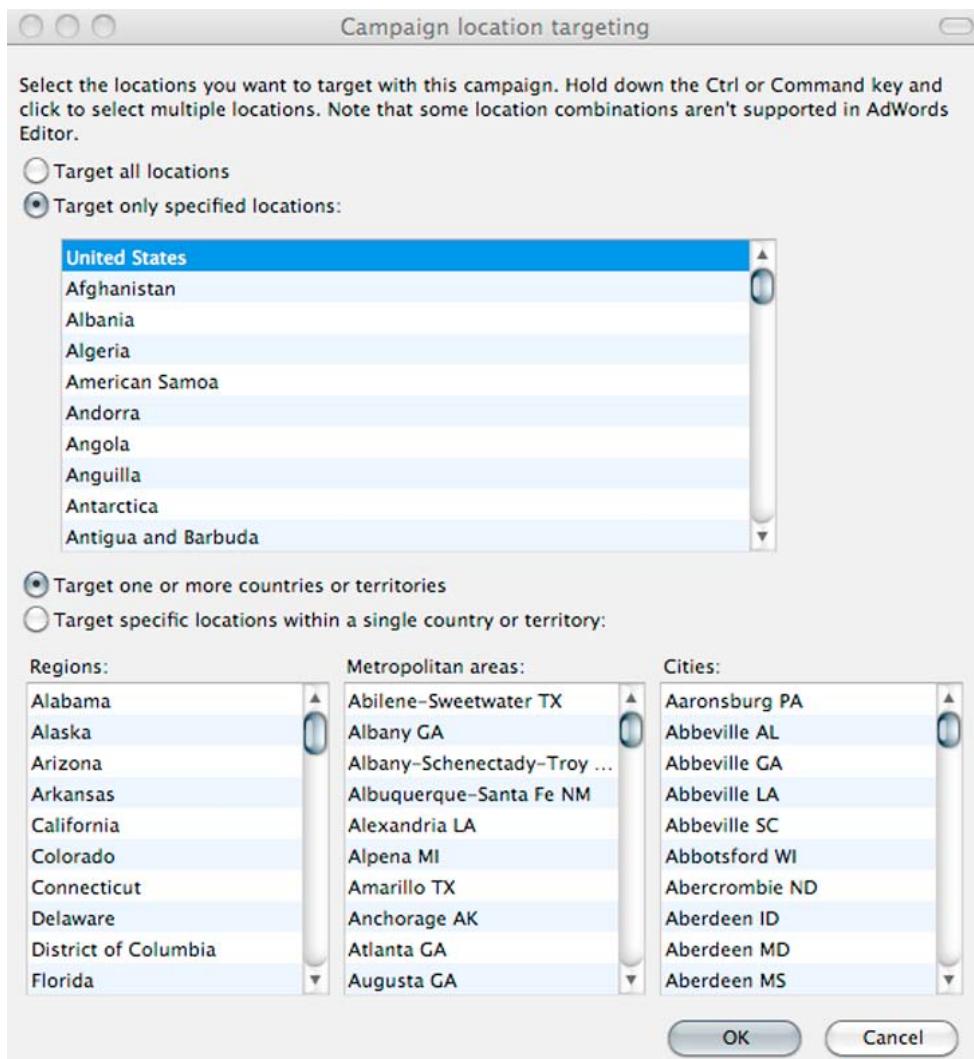
Figure 5-9. Location targeting settings in AdWords Editor

As you can see in Figure 5-9, the AdWords Editor can set locations down to the city level. In order to set proximity targeting, you must use the AdWords interface.

There are several ways that you can use Google location options to assist in targeting your campaigns. In the rest of this chapter, we will discuss various strategies for finding and targeting your customers. Let's start by looking at local businesses.

Creating Campaigns to Target Local Audiences

When targeting local customers, it's best to create two separate campaigns based on the following criteria:

- The first campaign should be set to target your local area and include broader keywords. For example, say you're a caterer in Grand Rapids, Michigan. You would use the location targeting methods discussed earlier in this chapter to choose the Grand Rapids area in your campaign settings. You would then select keywords with a broader focus, such as *wedding caterer.* It's best to include location information in your ad text so you're certain to attract the right clicks. As always, use good account organization and break out keywords into tightly themed ad groups.

- Create a second campaign to target a larger geographic area but include location-based keywords, such as *Grand Rapids caterer.* You can target an area as wide as your entire country, being sure to include geographic information in each keyword. We recommend using an extensive list of exact match keywords as well as some broad match modified keywords. Do your keyword research to see if there are negative keywords you should be including. For instance, did you know there is also a Grand Rapids, Minnesota? Here are some keywords that would work in this example:

  - [Grand Rapids caterer]

  - [Caterer in Grand Rapids]

  - +Grand +rapids +caterer

In addition, the following two negative keywords would make things more precise:

  - -MN

  - -Minnesota

If you're uncertain whether a location name is unique, you can proactively exclude all other states along with their abbreviations. For example, it would take some time to round up all of the Greenvilles across the country. If you manage multiple accounts and use location targeting frequently, it's convenient to create a list containing states and their abbreviations. You can then use this list of 100 negative keywords to pre-populate location-targeted accounts (minus the state you're targeting, of course).

Add Your Address to Your Ads

Another way to convey location information to your customers is by adding your address to your ads through location extensions. You can do this through a sitelink extension by linking your Google Places account to AdWords or by manually adding your address.

We introduced Google Places in Chapter 1 and we discussed using AdWords Express with Google Places in Chapter 4. In addition to claiming your listing to ensure it's accurate, it's also convenient to link your Places page to your AdWords account. This allows you to display your address within your ads. Figure 5-10 shows an example of an ad linked to a Places page and displaying location information.

Figure 5-10. *Sample ad with location extension*

To add an address to your ads, navigate to the Ad Extensions tab, as shown in Figure 5-11. If the Ad extensions tab is not visible, click the pull-down to the right of the tabs and check the Ad extensions box. From the list of views, choose View: Location Extensions.
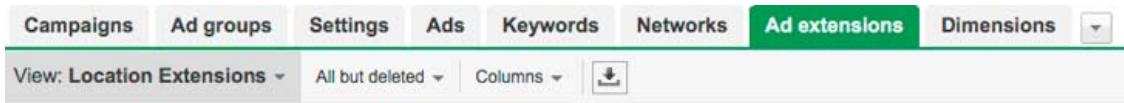
Figure 5-11. *Viewing location extensions*

You will have the option of using an address from Google Places or manually adding an address, as shown in Figure 5-11. Expand the "Addresses from Google Places" option (click the "+" icon) and select the campaign to which you'd like to add your extension. Under "Add Google Places account," enter the login information for your Places account (Figure 5-12). You can also select an icon that best matches your business, or you can upload your own icon. Click Save and you will see a list of Places accounts that are now linked.
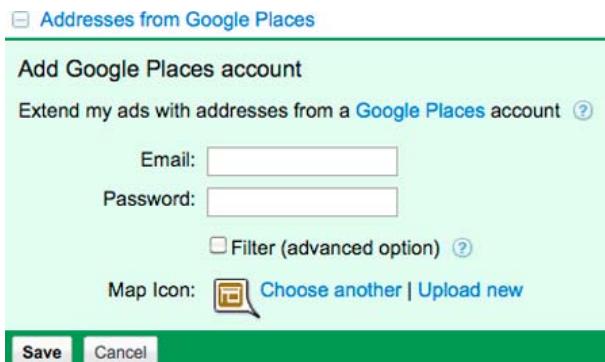
Figure 5-12. *Adding your Google Places account*

If you're not a business or don't wish to link your Places page, choose the "Manually entered addresses" option (Figure 5-13). Again, click New Extension and select the campaigns to which you want

to add your address. Enter your business information and choose an icon and an image, if you would like, and then click Save.
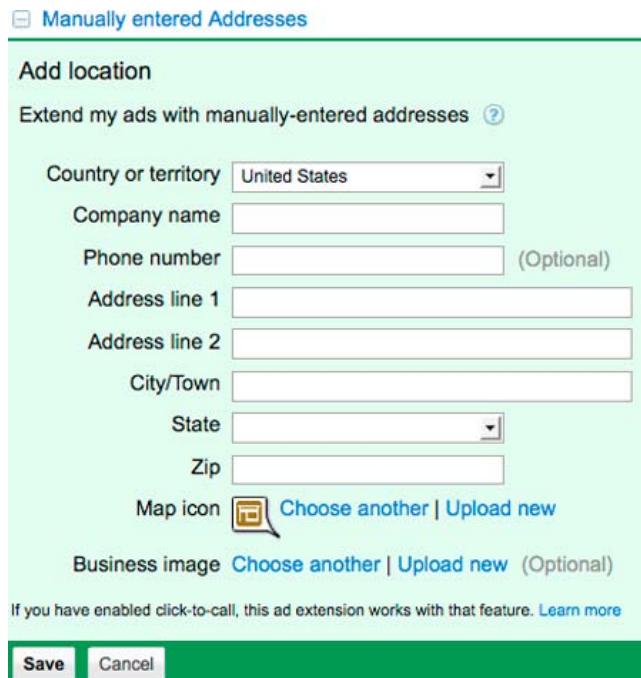
Figure 5-13. Manually adding an address

Another option for adding location extensions is through the AdWords Editor. Again, the first step is linking your AdWords and Places account. This is done through the AdWords interface and not in AdWords Editor. To access the location extensions in AdWords Editor, go to Tools ➤ Location Extensions or click the Extensions tab and click the "Location extension" option. From here you create a new extension (or extensions) and modify or delete existing extensions. Figure 5-14 shows the fields for editing the location extension.
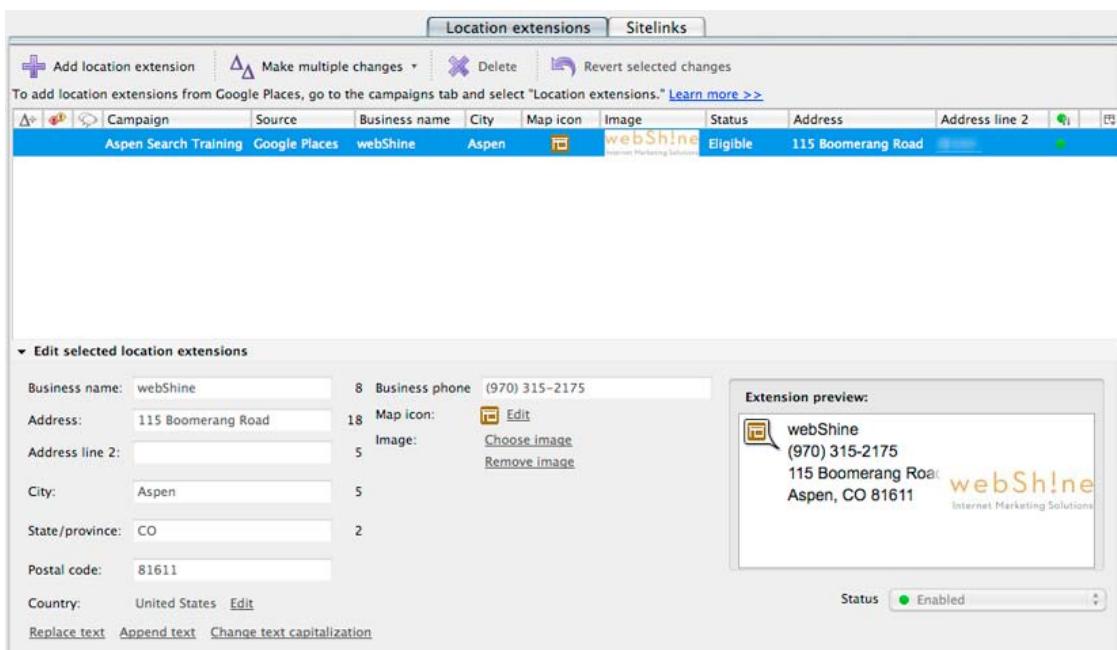
Figure 5-14. Editing location extensions in AdWords Editor

AdWords Editor helps streamline the process of adding and updating location extensions in bulk. We discuss ad creation and other options for sitelinks in detail in Chapter 7, but remember this trick for attracting users by displaying your address with your ad.

Geographic Performance Data

If you want to see how your AdWords account is performing at a geographic level, AdWords provides a geographic performance report. This report allows you to see performance data by region. The following steps outline the process for generating this report:

1. Click the Dimensions tab shown in Figure 5-15. If the Dimensions tab is not visible, click the pull-down at the end of the tab and click the box by Dimensions from the list of options.
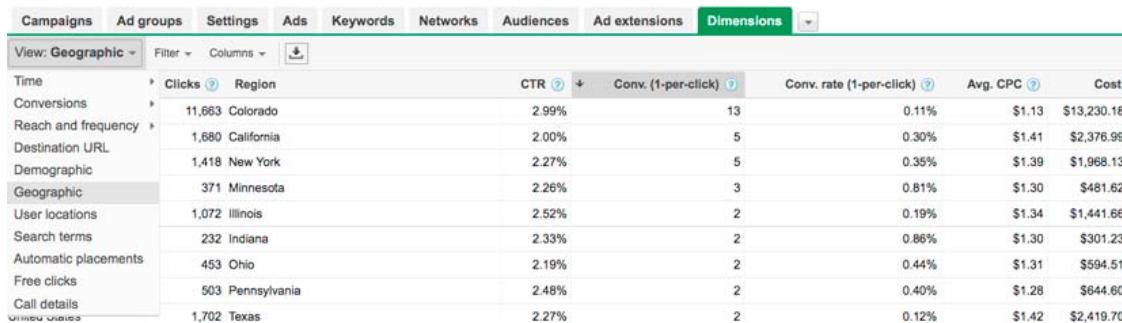
	Clicks	Region	CTR ⑦ ↓	Conv. (1-per-click) ⑦	Conv. rate (1-per-click) ⑦	Avg. CPC ⑦	Cost
Time ▸	11,663	Colorado	2.99%	13	0.11%	$1.13	$13,230.18
Conversions ▸	1,680	California	2.00%	5	0.30%	$1.41	$2,376.99
Reach and frequency ▸	1,418	New York	2.27%	5	0.35%	$1.39	$1,968.13
Destination URL	371	Minnesota	2.26%	3	0.81%	$1.30	$481.62
Demographic							
Geographic	1,072	Illinois	2.52%	2	0.19%	$1.34	$1,441.66
User locations	232	Indiana	2.33%	2	0.86%	$1.30	$301.23
Search terms	453	Ohio	2.19%	2	0.44%	$1.31	$594.51
Automatic placements							
Free clicks	503	Pennsylvania	2.48%	2	0.40%	$1.28	$644.60
Call details							
United States	1,702	Texas	2.27%	2	0.12%	$1.42	$2,419.70

Figure 5-15. Geographic data report

2. Select Geographic view.

3. Customize the columns to show the data that you would like to see. Click the pull-down next to Columns and click Customize Columns. Figure 5-16 shows the display options; the "Level of detail" column allows you to select the geographic area.
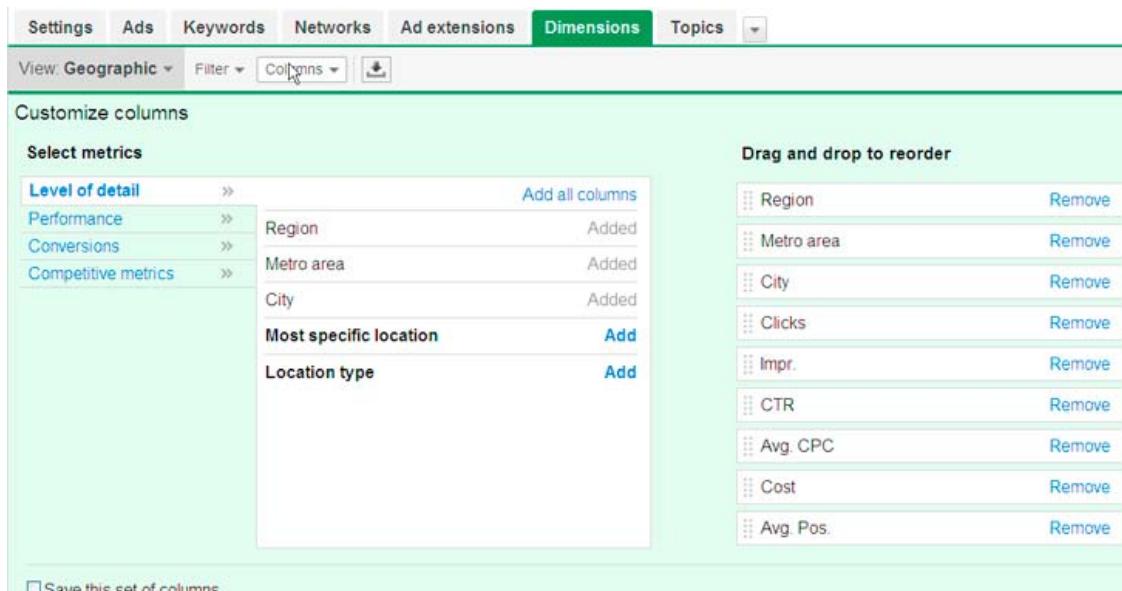
Figure 5-16. Column customization

4. Choose a date range that provides enough data to show results.

Geographic Data Insights

Use this data to improve your account performance by allocating budget based on an area's performance. Create new campaigns to specifically target high performing areas and exclude areas with poor performance. Bid higher in high performing (high converting) areas and bid lower in other areas with lesser performance. Create location specific ad text and landing pages if warranted.

As we mentioned when we discussed quality score, Google uses the performance of your ads in a geographic area to determine quality score for an auction in that area. The geographic report highlights your click-through rate (CTR) by area. If you're seeing a high CTR in Cleveland and a low CTR in Baltimore, your ads will have more visibility in Cleveland because of the higher quality score for that city. Creating a separate campaign for Baltimore allows you to focus on improving results for that city and increasing your CTR and visibility there. Variations in CTR could also affect your bottom line. Keep in mind that Google bases quality score on CTR, not conversion rate. This means that your ads could have a lower quality score in an area that is seeing a great conversion rate. Geographic data provides insight into both CTR and conversions, allowing you to optimize for areas with high conversions and low CTR. Creating a separate campaign for these areas is a good way to ensure you're getting the most out of your more profitable regions.

Understanding Where Your Users Are

If you have been using Google Analytics to track visitors to your site, you have a wealth of information about the location of your visitors. In the tree navigation on the left, go to Audience ➤ Demographics ➤ Location (Figure 5-17).
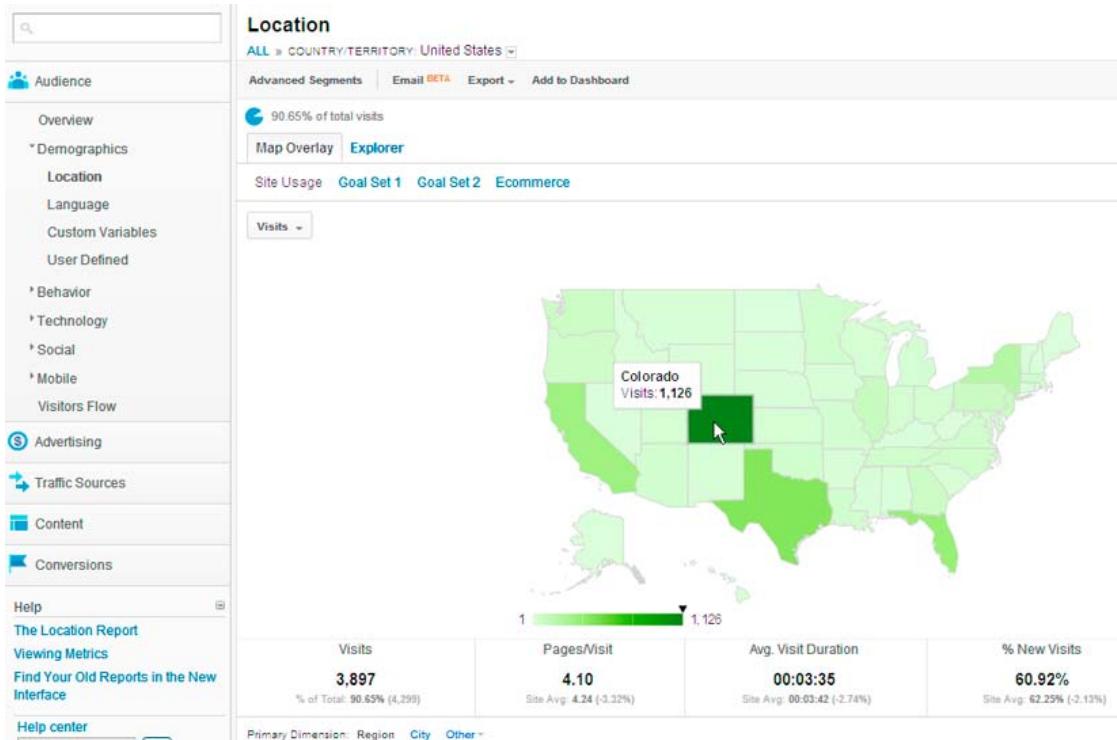
Figure 5-17. Google Analytics location report

The main screen will default to the Map Overlay view. You can then scroll down and see the data at the country level. Select a country and you can drill down to smaller regions, down to the city level. Figure 5-18 shows a sample of data. As you can see from this example, California drives the majority of traffic and conversions to this site.

	Region	Visits ↓	Revenue	Transactions	Average Value	Ecommerce Conversion Rate	Per Visit Value
1.	California	8,297	$3,257.39	45	$72.39	0.54%	$0.39
2.	New York	4,590	$3,106.62	29	$107.12	0.63%	$0.68
3.	Texas	3,961	$627.72	9	$69.75	0.23%	$0.16
4.	Florida	3,747	$1,037.71	18	$57.65	0.48%	$0.28
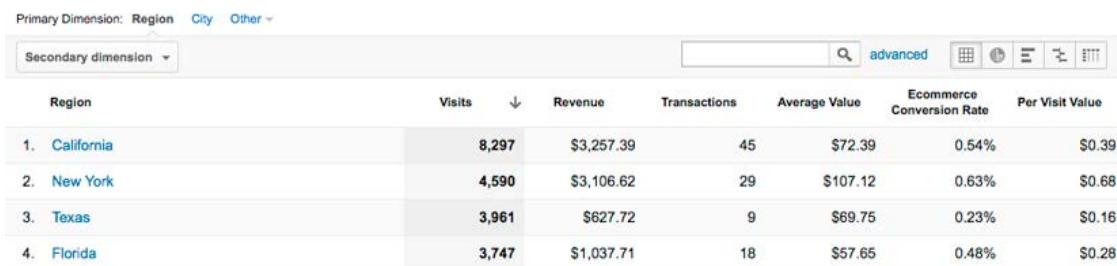
Figure 5-18. Google Analytics regional report

You can also generate the same report to see only paid traffic through use of the advanced segments in Google Analytics. We will discuss how to access advanced segments in Chapter 11.

This location-based data can be used to evaluate where your most valuable customers are located. Perhaps you're just starting an AdWords campaign and want to focus your budget on a small area. Use the Google Analytics data from your web site to choose an area to target. Once you're seeing a good ROI, expand your campaign to other areas.

You can also use this data to decide which locations justify the creation of location-focused landing pages. Take advantage of AdWord's ability to take visitors exactly where you want. By showing visitors the information that pertains directly to them and their location, you're more likely to win them over more quickly.

Summary

In this chapter, we discussed how to make your AdWords dollars go further by reaching your customers based on both their and your locations. Google uses several factors to determine a user's location, including the search engine top-level domain, the search query, and the user's IP address. Location and language settings within AdWords are set at the campaign level. The location-targeting tool within AdWords allows you to select an area as small as a 20-mile radius from your business or multiple selected countries. In addition, you can exclude areas inside your targeted areas.

You can further refine who sees your ads based on the user's language settings. Make sure you're reaching the right audience by ensuring that the language of your ads and web site matches that of your visitors. AdWords Editor also has the capability of setting location preferences. When targeting a local audience, we recommend creating two campaigns: one focused on your location-targeted area and another including location-based keywords. Another strategy for optimizing for location is to add your address directly to your ads.

Both AdWords and Google Analytics provide performance information based on location: AdWords via the geographic performance report and Google Analytics via a location report.

Although location is an important aspect of reaching your customers, it's also essential that you find the right keywords. In the next chapter, we will outline how to select the right keywords to increase conversions on your site.

Keyword Strategy

Keywords are the linchpin of all PPC marketing. They are the starting point of the process connecting the user's interest and intent to your ad campaign. Everything hinges on the set of keywords you choose. If a keyword that could materially improve your campaign is not in your account, then your campaign won't be hitting on all cylinders. The keywords you choose for your campaign will determine the quantity and quality of your visitors. In this chapter, we will discuss how to find the right keywords at the right time for the right audience.

Here are the topics we cover in this chapter:

- Keyword basics

- Using Google's Keyword Tool

- Selecting keywords

- Refining your keyword list

Keyword Basics

In Chapter 2, we discussed the ZMOT marketing model. Here we will take a closer look at how to find the right keywords for the various phases of the buying process. Understanding *why* your customers are searching is the first step. The second step is to understand *how* they are searching. The *how* starts with the keywords that you need to be marketing. By gaining visibility when consumers search for these keywords, you're able to gain interest and use this opportunity to convince them to use your products or services. It all comes down to mining for the right keywords.

■ **Note** It isn't possible to start out with a perfect keyword list. An effective keyword list is the result of an ongoing process that will need to be constantly honed and refined.

Let's take a closer look at some important concepts relating to keywords.

The Long Tail vs. the Short Tail

Generally speaking, the earlier in the sales process a customer is, the shorter and broader their search. Let's return to an example from Chapter 2, where you aligned the sales process with sample keywords.

Table 6-1.Increasing Keyword Complexity in the Sales Cycle

Sales Process	Sample Keywords
Stimulus	*Dog* *Dog food*
ZMOT	*Best organic dog food* *Dog food reviews* *Grain free dog food*
FMOT	*Newmans Own canned dog food*

Looking at the keyword progression in Table 6-1, you'll notice that as the search/sales process unfolds, the keywords typically become longer, more complex, and more narrowly focused. In the search industry, these more complex phrases are called *long-tail keywords*. In contrast, the general phrases are often referred to as the *head*. Figure 6-1 shows the relationship between the relative search volume of keywords and specificity.
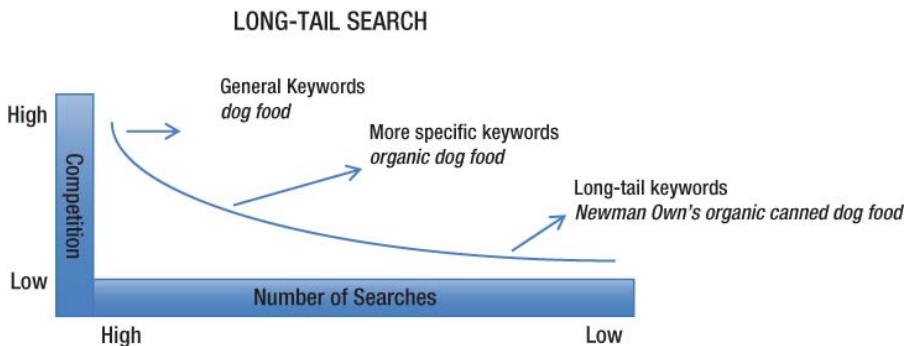
Figure 6-1. The relationship between the relative search volume of keywords and specificity

As this graph shows, highly specific, long-tail keywords make up the bulk of searches. Targeting popular and more general keywords is not only expensive (because of greater competition) but results in missing a lot of quality traffic. This is consistent with what you learned about the sales process earlier (Chapter 3). According to a 2008 guest post by Dustin Woodard on Bill Tancer's Hitwise blog, "if you had a monopoly over the top 1,000 search terms across all search engines (which is impossible), you'd still be missing out on 89.4% of all search traffic."[1]

Users searching with long-tail keywords with the intent of purchasing a product or service are usually further along in their decision process. Less competition and higher conversion rates are a great mix for PPC marketing, and careful, precise research in setting up your keywords will help move your campaign in this direction.

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[1] Bill Tancer, "Guest Post – Sizing Up the Long Tail of Search," Nov. 6, 2008,
http://weblogs.hitwise.com/bill-tancer/2008/11/sizing_up_the_long_tail_of_sea.html

Types of Keywords

In addition to the specificity that long-tail and short-tail conveys, there are several other ways to group keywords.

- **Branded vs. non-branded**: This keyword grouping is pretty self-explanatory, but when thinking about search-generated traffic it's important to differentiate the two. Users searching with branded terms are much further along in the sales cycle, so these keywords tend to have a high conversion rate. Branded keywords should be separated into their own campaign or ad group. When analyzing results, it's important to make this distinction, as campaigns and accounts that are heavily brand-focused will naturally see better performance. We will discuss tactics for using Google Analytics to segment data based on branded or non-branded traffic in Chapter 11.

  There's an ongoing debate in the PPC world about whether you should spend money on branded keywords when you already have a high organic search ranking for these keywords. At first glance, you might think it's a waste of valuable PPC budget. If you're getting free clicks, why spend any amount on these keywords? We believe buying branded keywords is money well spent. In general, we have seen an overall decline in sales when branded keywords are turned off. We believe it's due to an increase in brand trust when searchers see multiple listings. Bidding on broad matched brand names also helps to identify misspellings of the brand that you might not be ranking for organically. In addition, brand keywords tend to have great quality scores (and low cost-per-click), which is another plus for your account.

- **"Buying" keywords**: This is another way to describe keywords in the FMOT phase of the sales cycle and identify users who are ready to buy. These keywords consist of what you're selling with prefixes such as *buy, purchase, shop for*, etc. Include these keywords when promoting products on e-commerce sites.

- **Local keywords**: When a location is included in a search query, you can bucket these keywords as local keywords. For example, *Portland Oregon sushi restaurant* is a location keyword. We discussed location-based searches in Chapter 5.

- **Product keywords**: Again, these keywords tend to come late in the buying process and are very specific. *Canon PowerShot 100HS* and *Fisher-Price Kid-Tough Binoculars* are examples of product keywords. Don't miss the low-hanging fruit; these kinds of specific product keywords can improve you campaign's performance.

- **Broad vs. specific**: Broad keywords include variations of multiple root keywords, while specific keywords are multiple permutations of the same root word. For example, some people might search for *camcorder* and variations of that root word, while others might search for variations of *video recorder*. Leaving out either combination could exclude a large portion of your potential audience.

Identifying Your Themes

When composing your first list, it's okay to keep it small. Go for quality keywords and try not to get overwhelmed by the large number of possible keywords. The ideal keywords will reflect your business and the goals of your campaigns.

We like to create what might be termed "theme buckets" that aggregate keywords according to a set of themes. These themes will ultimately coalesce into your ad groups. The following are some suggestions to keep in mind when identifying your themes:

- What are the main products and/or services that you're offering?

- What themes are present on your web site?

- What are the natural divisions within your product lines?

- Where, in terms of geographic areas, do you want to offer your products or services?

- Who are your ideal customers and what are they looking for?

Next, start a spreadsheet, giving each theme its own column. Figure 6-2 shows an example spreadsheet for a travel company that focuses on high-end, luxury trips. Use multiple columns to make copying root keywords easy.

A	B	C	D	E	F	G	H	I
Travel		Vacation		Tours		Agency		Negatives
travel	high-end	high-end	vacations	high-end	tours	high-end	travel agency	magazine
travel	luxury	luxury	vacations	luxury	tours	luxury	travel agency	magazines
travel	5-star	5-star	vacations	5-star	tours	5-star	travel agency	cheap
travel	custom	custom	vacations	custom	tours	custom	travel agency	discount

Figure 6-2. Theming keywords via Excel

From here, spend some more time building out each theme. Browse your competitor's sites for additional ideas. Perform searches using your keywords and explore what you see. Use the Google Search AutoComplete feature as a guide. Look for synonyms and variations for your keywords. Think like your customers, and think about their intent. If you come across keywords you feel are a good fit for your business or web site but don't fit into an existing theme, create a new column. Be sure to include various themes that cover the ways people could think about your core products. For example, if you own a furniture store, you would want to include keywords that include *sofa* and *couch*.

In the next section, we will talk about Google's Keyword Tool, which taps into its considerable database of keyword and search information.

Using Google's Keyword Tool

Google's Keyword Tool provides useful information on search volume trends, estimated CPC, and relative competition. You can easily import the data directly into your AdWords account or via a spreadsheet. The keyword tool can also recommend keywords based on an analysis of your site. The web-based Keyword Tool can be invoked directly in your browser using the following URL:

```
https://adwords.google.com/select/KeywordToolExternal
```

However, when you access the tool externally, some of the features discussed here are not available. Alternatively (and recommended), you can navigate to the tool from your AdWords Account. One way to do this is to click the Tools and Analysis tab and select Keyword Tool (Figure 6-3).
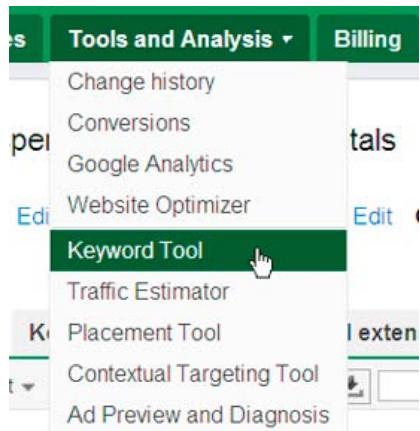
Figure 6-3. Selecting the Keyword Tool in AdWords

A second way of bringing up the tool in your AdWords account is to select "+ Add keywords" in the Keywords tab. This will show a prompt for adding the keyword. Click the Keyword Tool link on the right of the prompt, as shown in Figure 6-4.

Figure 6-4. The Keyword Tool link

Once the tool launches, you'll see the screen shown in Figure 6-5.
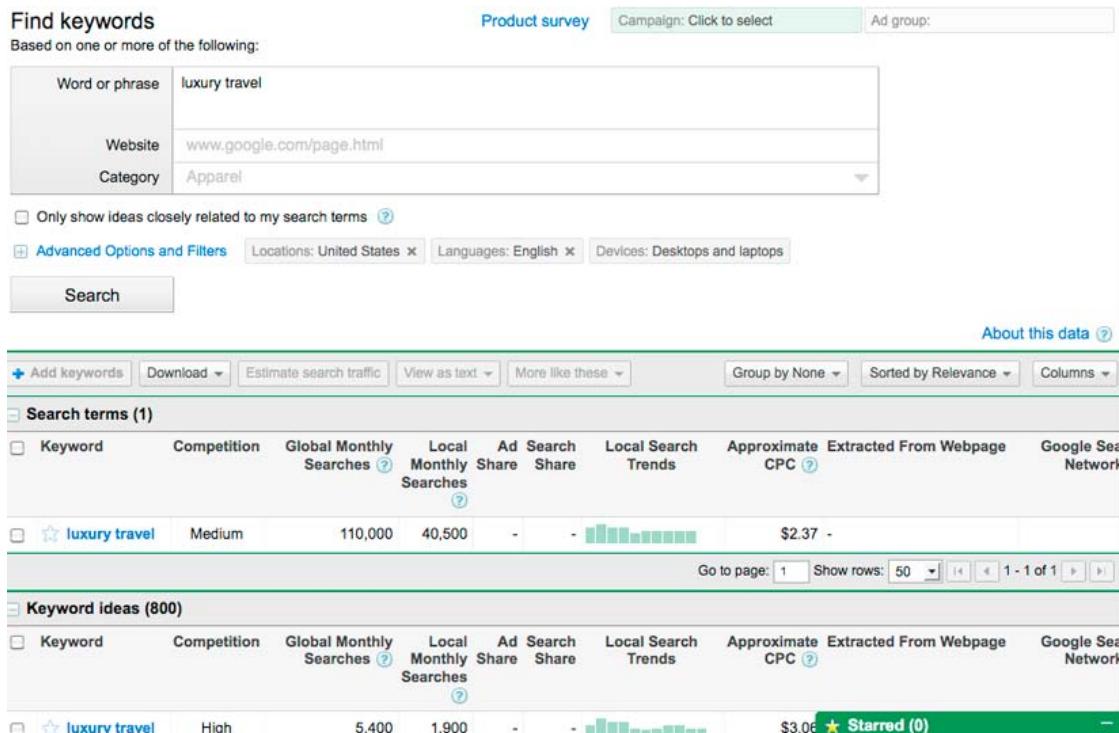
Figure 6-5. *The Keywords Tool*

Start your keyword research by entering words or phrases you've collected in your list. Start with broader keywords from one of your themes (ad groups) and click the Search button. The terms you enter will show at the top of the chart and the suggestions from Google based on the keywords you've entered will show below the chart. Before selecting keywords from this list of suggestions, let's look at a few options for narrowing down the amount of data.

Filtering Data

There are several approaches to narrowing (or filtering) the suggested keywords in a way that focuses the list on your specific needs. The following are several options for customizing the results:

- Combine words or phrases with categories. For example, researching a keyword such as *Aspen Homes* could trigger keyword phrases such as *Aspen funeral homes* or *Aspen nursing homes.* However, if you selected the category *Travel,* the results wouldn't include these types of keywords.

- Filter based on locations and languages. However, locations only go to the level of countries. Google's Keyword Tool does not provide geotargeted data. For example, you can't see search volume of a particular keyword for the Chicago metro area.

- Include or exclude adult ideas.

- Perform keyword research specifically with mobile devices in mind (see Chapter 9); this will help you understand the mobile searcher and the possible search volumes.

- Select "Only show ideas closely related to my terms." With this option selected, all results will include the words or phrases you entered.

- Filter results based on the filter options shown in Figure 6-6.

Figure 6-6. *Filter options*

For Competition statistics, you can choose low, medium, or high; for the other options, you can base your results on amounts greater or less than desired volumes.

- Select the match types. This is an important one. By default, the results shown are based on broad match versions of keywords. You'll find this option on the left hand side of the tool. All match types checked will be included in the results. The Keyword Tool is often used to discover keywords for organic search campaigns as well. When researching keywords for this purpose, it's important to select the exact match option. Note that the Keyword Tool ignores the "+" Broad Match Modifier on listed keywords, but this could change.

- Specify the words or phrase that must be included in each result. Again, this option is on the left of the screen. By entering terms in the "Include term" box, you can require results that contain these words or phrases. There are a few options for including terms in the results. Terms entered with no quotes will appear in each result but not necessarily in the same order. Terms entered with quotes will appear in the order entered. When terms are entered separately (one on each line), the results will include at least one of the terms, but not necessarily both in the same result.

- Specify words or phrase that must be included in each result. You can add keywords that you don't want included in the results by entering them in the "Exclude terms" box on the left of the screen. Another option for excluding terms in your results is to enter the word or phrase into the tool indicated with a "-"(minus sign) prefix.

Sorting Results

Once you've selected your filtering options, click the Search button; the tool will generate a table of results based on your criteria. The maximum number of results generated is 800 (in other words, a lot!).

To help sort through this data, you can customize the results table by configuring what data is shown. Figure 6-7 shows the available options. To access these options, click the Columns pull-down on the right side of the table, as shown in Figure 6-7.
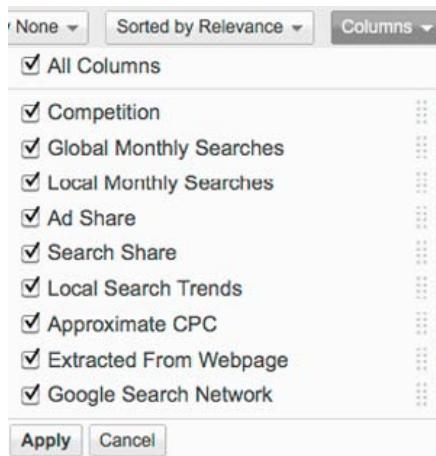
Figure 6-7. Selecting columns for the results table

Here is a description of what each column provides:

- **Competition**: Indicates the degree of competition for a keyword as high, medium, or low. If you cursor over an item in the Competition column, you should see a data annotation showing the actual two-digit competition metric (between 0 and 1.00) displayed.

- **Global monthly searches**: Shows the number of global (all countries) monthly queries for a search term averaged over the past 12 months.

- **Local monthly searches**: Shows the approximate number of search terms matching the keyword, averaged over the past 12 months. The number is based on the countries and languages you've selected, as well as your keyword match type. This is only relevant at the country level and not to locations set to regions (states), cities, or smaller areas. If there's insufficient data to determine the number, this will be noted in the column.

- **Ad share**: Theoretically, this shows the percentage of time your site is displayed for the exact match version of a keyword. In reality, this statistic can be confusing, and it doesn't always generate results.

- **Search share**: Similar to ad share, this statistic should indicate the percentage of time your site shows on the first page of the organic search results and is specific to your targeted country. Again, this is based on the exact match version only and rarely does the keyword tool generate results.

- **Local search trends**: Shows the relative monthly change in search volume. Each green bar represents a month, starting 12 months prior to the last full month of data (Figure 6-8). Each bar is relative to the keyword's overall performance for the prior twelve-month period. This chart won't show in the tool unless you're signed in to your AdWords account. It's specific to your selected country and language, as well as your selected match type. Again, if there's insufficient data, this will be noted in the column.

Figure 6-8. Local search trend by month

For example, if it's Oct 2011 and you're looking at the chart in Figure 6-8, the first month on the right represents the relative search volume for September 2010. The local search trends feature is helpful for understanding seasonal variations.

- **Approximate CPC**: Shows the approximate cost-per-click you might pay if you were to bid on the keyword, averaged over all ad positions.

- **Extracted from web page**: If a keyword is relevant to your site, the page of the site deemed relevant will be listed.

- **Google Search Network**: This shows the number of searches for a keyword on the Google Search Network, averaged over a 12-month period. This metric is based on your selected country and language, and on the exact match version of the keyword.

You can also adjust the data in the results table by using the sorting functionality, as shown in Figure 6-9.
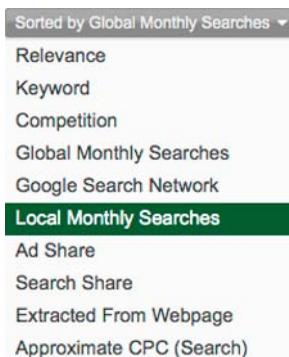
Figure 6-9. Sorting keyword results

By default, the results are sorted by relevance to the searched terms. However, you can also sort the results by any of the column headings by clicking on the heading.

One of the great features of the keyword tool is the ability to save keyword results while searching on additional keywords. The "star" feature (Figure 6-10) allows you to save keywords before starting another search. This allows you to build your list without doing multiple downloads.

Figure 6-10. Marking keyword selections with the "star" feature

Starred keywords are added to a list stored for later use and are displayed at the bottom right of the tool in the minimized "Starred" window (Figure 6-11). Keywords remain in the starred list until you download them or close the tool. Opening the list and clicking Remove can individually remove starred keywords, or you can click Remove all.

Figure 6-11. A starred keyword list in the Google Keyword Tool

To generate another round of results, you can start the process over or click the tab for "More like these" and generate results based on the keywords you've selected or starred.

Before you start downloading data, make sure you've thought about what is important to you and whether you've used the proper filters. If you have a tight budget, it may be a good idea to filter for keywords that match your bid prices (Figure 6-12).

Figure 6-12. Filtering by approximate CPC

Downloading and Importing Results

There are several options for downloading and importing results. The first is importing your keywords directly into an ad group. To do this, the ad group must have been previously created in your account. Select the keywords you want to import and click the "Add keywords" button. Then select the campaign and ad group to which you would like to add the keywords.

Another option is to export the data to a spreadsheet. Figure 6-13 shows the options for selecting the group of keywords you wish to download from the table.

Figure 6-13. *Downloading starred keywords*

As represented in Figure 6-13, you can set the download options to include downloading all the keywords, the keywords selected by checking the check-box in front of the keyword, the starred keywords, or a bulk download. One of the advantages of downloading is that all the data from the chart will export, and you can use the spreadsheet to review and manipulate data or import to the AdWords Editor Tool. (We cover this tool in a later section of this chapter.) The exported statistics will match the visible columns in the results table.

Another useful feature is the "View as text" option (Figure 6-14). You can add keywords that have been selected or starred to a text list that can easily be cut and pasted into your original spreadsheet. The text list is a great option when you're ready to export keywords and don't have a need for downloading the statistics, such as when adding keywords to AdWords Editor or when compiling a list of negative keywords.

Figure 6-14. *Downloading keywords by viewing as text*

Estimating Search Traffic and Cost

To understand the cost of clicks for your selected keywords, you can use the Estimate Search Volume function. These are only estimates, as Google can't predict your click-through rates and quality score. However, estimates are better than nothing, since it's important to get a feel for what your costs will be and to ascertain whether your keywords are a good fit for your budget.

You can view traffic estimates for any selected group of keywords. You'll be prompted to associate the keywords with an ad group. The pop-up window will display estimates for average CPC, estimated clicks, and total estimated cost, as shown in Figure 6-15.

Figure 6-15. Estimated search traffic data

To see the estimated cost for an ad group, use the star function to note the keywords you want to add to your ad group. Use the "View as text" option to cut and paste the new list of keywords into the top of the tool. Click the Search button and your searched terms will display in the top portion of the results. Select all these keywords and click "Estimate search traffic." A pop-up will display your campaigns and ad groups, where you can select the matching ad group. The summary will display the estimated cost per day for your selected list of keywords for that ad group. If the estimate is beyond your budget, you may need to examine your list more closely.

Analyzing Web Sites with the Google Keyword Tool

The Google Keyword Tool will generate results based on the content of your web site(s), as shown in Figure 6-16. Enter the URL of a web site and Google will crawl that site to determine the associated keywords.

Find keywords

Based on one or more of the following:

Word or phrase	One per line
Website	www.webshine.com
Category	Apparel ▼

Figure 6-16. Entering a web site

You can use this functionality to investigate a competitor's site, high-ranking sites, etc., and the Keyword Tool will display the keywords Google extracts from these sites. This can also be used as a starting point when first creating a keyword list; enter a page of your site and let Google tell you what it thinks the page is about.

Researching Negative Keywords

When using the Keyword Tool to research keywords, don't forget about identifying negative keywords. As you progress through the research process, make note of the keywords that have multiple meanings, some of which may be outside the scope of your business. We often open a text file and add these keywords as we use the tool.

Other Options for Keyword Research

In addition to using a keyword tool such as the one provided by Google, here are a few other options.

Competitive Research

It's always a good idea to do comparative searches for your product. Start at a general level then get more specific. Who are the online players that pop out? Who is your competition? If you're in an extremely competitive space, it might make sense to invest in a keyword spy tool. There are many third party tools on the market to help with this research. Most will list the keywords your competitors are bidding on and will show examples of their ad text.

Web Analytics

If you use a web analytics tool such as Google Analytics, look for the keywords visitors have used to reach your site. To find this data, in Google Analytics navigate to Traffic Sources ➤ Sources ➤ Search ➤ Organic.

To see the non-branded search queries visitors are using to get to your site organically, you can follow the previous steps and then use the advanced filter option to exclude keywords related to your brand. Alternatively, you can create branded and non-branded segments. We will discuss this in Chapter 11 when we explain how to use Google Analytics to improve your campaigns. If you're researching keywords for a branded campaign, reverse this approach by using the advanced filter to include branded keywords. Figure 6-17 shows a sample table of organic search queries.

	Keyword	Visits	Revenue ↓	Transactions	Average Value	Ecommerce Conversion Rate	Per Visit Value
1.	control tea pots	17	$203.70	4	$50.92	23.53%	$11.98
2.	orzo coffee	64	$159.60	4	$39.90	6.25%	$2.49
3.	matcha genmaicha	14	$129.00	3	$43.00	21.43%	$9.21

Figure 6-17. Organic non-branded search queries in Google Analytics

One of the advantages of using Google Analytics to discover keywords is that the keywords come with a wealth of data related to your site. If you're running e-commerce and/or attaching monetary values to your goals, you'll already have an understanding of what you should bid for a particular keyword.

Google Insights for Search

The Google Insights for Search tool (www.google.com/insights/search/) generates data based on worldwide Google web searches. You can see search volume as well as trends over time, and you can compare interest in a search term by area. Results can be filtered based on the type of search (web, image, news, or product), location, timeframe, and category. Google has minimum volume thresholds for keywords to be included in the tool, so keywords that don't see significant volume won't be included. The example in Figure 6-18 shows results for the keyword *Aspen real estate*. (Note: there are three "Learn more" links shown in this figure (upper right and lower center). If you're unsure of what you're looking at, it's often helpful to click on these links.)
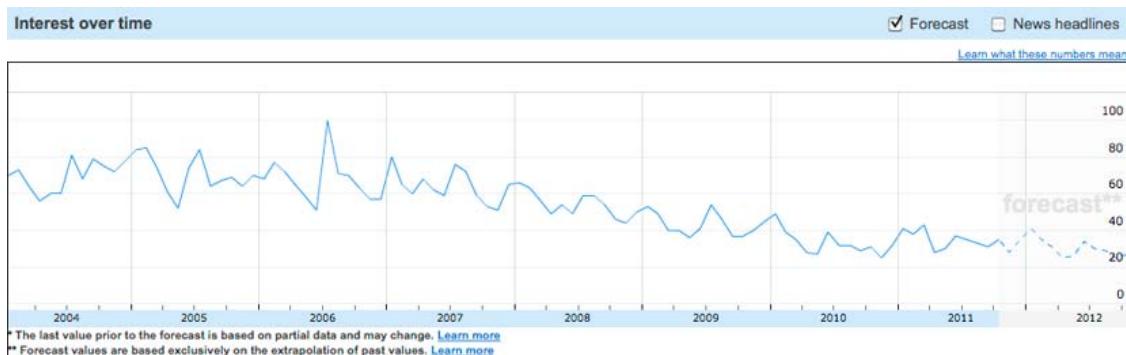
Figure 6-18. Google Insights for Search – interest over time for Aspen real estate keyword

What you can see from the "Interest over time" graph is that searches for *Aspen real estate* peak in the months of July and January. This is helpful information when budgeting for a PPC campaign.

The Insights for Search tool also provides geographic information on variations in regional interest, as shown in Figure 6-19.

118
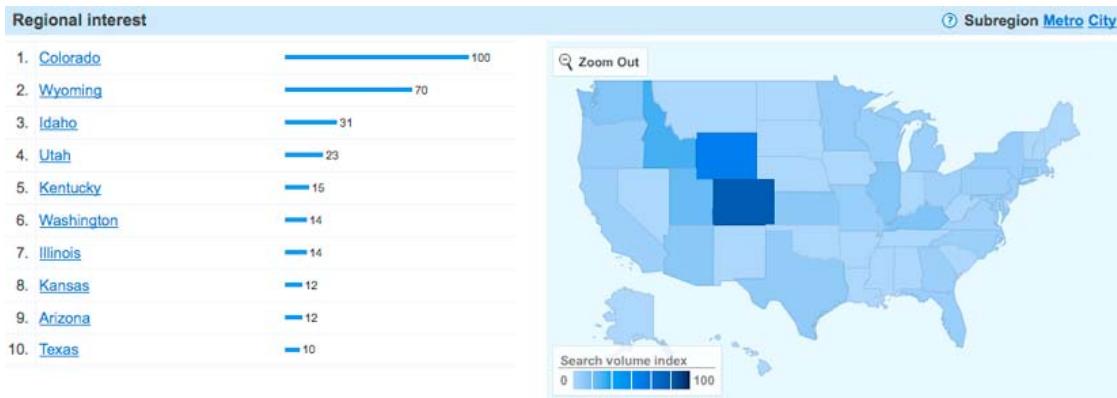
Figure 6-19. Regional data report from Insights for Search

This data is useful for determining which markets are showing the most interest in your products.

You can pull up Insights for Search results directly from the Keyword Tool. Click on the pull-down to the right of the keyword and the menu in Figure 6-20 will appear. Click on the option for Google Insights for Search.
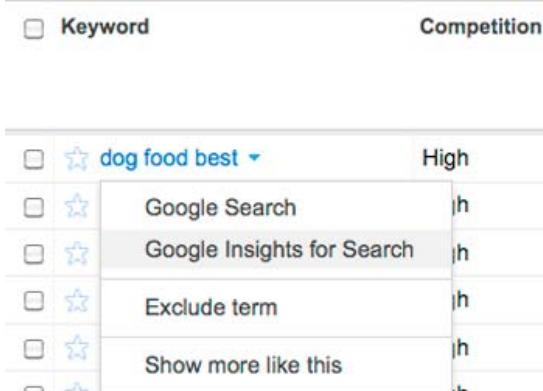
Figure 6-20. Invoking Insights for Search from the Keyword Tool

Generate Permutations

Another option for generating keywords is by creating a table based on your core keywords that allows you to create your own list of long-tail keywords. Add various prefixes and suffixes to your root keywords to generate a table similar to Table 6-2.

Table 6-2. Possible Keyword Prefixes and Suffixes

Prefix	Prefix	Root	Root	Suffix	Suffix
Discount Organic		Dog	food	online	store
Review Organic		Dog	food		
Review	Dog		food		
Buy	Healthy	Dog	food	online	

You can also find free tools online that will generate the permutations for you. SEOBook offers a free tool that outputs the data for easy upload to AdWords Editor. When first starting a new account, you don't need thousands of permutations. Instead, include variations based on different root words. Once you discover which keywords convert best, expand on those keywords.

Match Type Settings

In Chapter 2, we explained the various match types and their reach. As you enter keywords into your account, the match types you use are very important. Take the keywords in Figure 6-21 as an example.

Figure 6-21. Search volume variations by match type

In this example, the amount of search volume for the broad match keyword is over six times that of the exact match keyword. When deciding to use broad match, be certain to include an extensive list of negative keywords. One option for adding negative keywords is using lists. By creating lists, you can add negatives in groups and then associate these lists with multiple campaigns. You can find these lists in the tree navigation under Adwords ➤ Campaigns Tab (left navigation frame) ➤ Shared library ➤ Campaign negative keywords. A list can be created directly from the Shared library menu or from the Keyword tab.

Broad match modifier (BMM) keywords are a great way to split the difference between broad match keywords and the more restrictive phrase and exact match. BMM opens up your keyword list without completely opening the floodgates. We have seen substantial increases in click-through rates with BMM. Figure 6-22 shows an example of how CTR can increase with the use of BMM. CTR is shown in the right column.

mount +rainier +expeditions	Eligible	$0.60	7	35	20.00%
mt rainier expeditions	Eligible	$0.60	5	50	10.00%

Figure 6-22. *CTR improvements with broad match modified keywords*

Selecting Keywords

There are a couple of considerations to keep in mind when composing a keyword list. Remember that it's nearly impossible to find the perfect keywords at the onset of your campaign: a good keyword list is built over time. It's important to revisit the keyword research tool frequently for new searches. Make sure the keywords you choose accurately reflect your business. When using tools such as Google's Keyword Tool, you may be shown a wide range of suggestions, so be sure to handpick your keywords. Adding keywords suggested by Google without careful consideration will only result in mismatched keywords and a less cost-efficient campaign.

Don't repeat keywords in an account; if you do, you'll be in competition with yourself. You can include a keyword more than once if the campaign settings are designed so that keywords are not in competition with each other, such as in campaigns running in different geographical areas. To check your account for duplicate keywords, AdWords Editor has a solution. Within the AdWords Editor, go to Tools ➤ Find duplicate keywords. The window shown in Figure 6-23 will pop up.
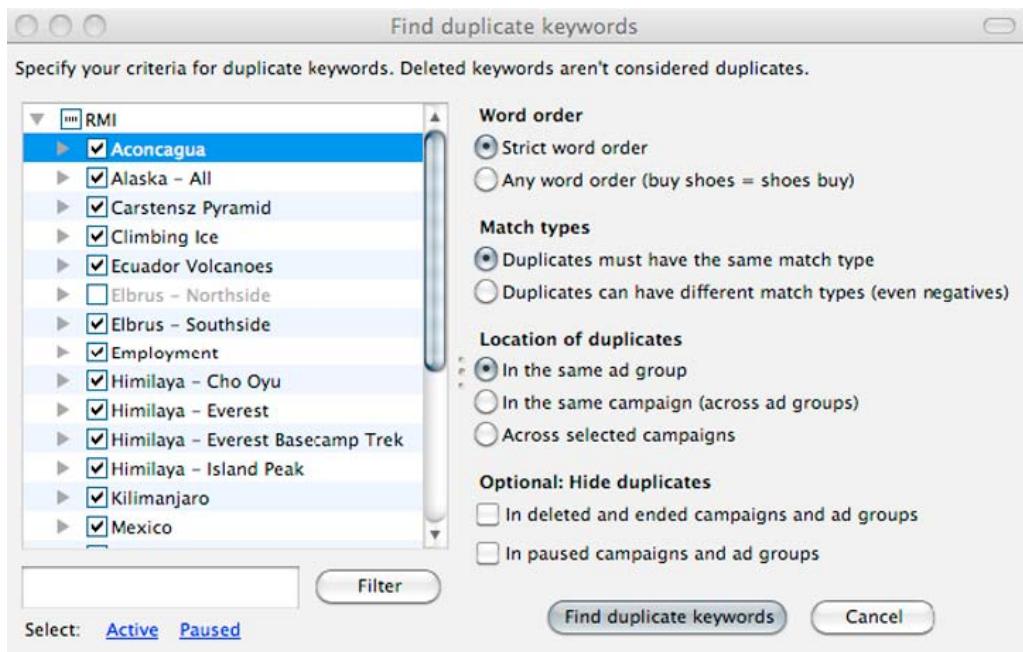
Figure 6-23. *Finding duplicate keyword in AdWords Editor*

Next, define your criteria. Strict word order is most relevant when trying to find duplicates in exact or phrase match. Any word order will find duplicates for broad match.

Once the tool has run and you're ready to delete duplicates, select the duplicates that you would like to delete. Use the "Select duplicates by" menu (Figure 6-24) to help select the duplicates in bulk.
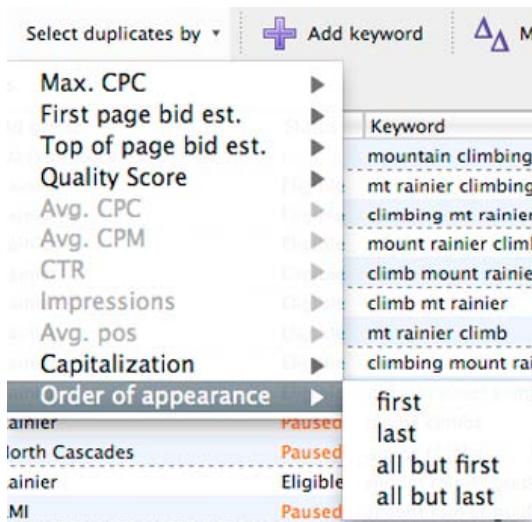
Figure 6-24. *Options for selecting duplicates in Adwords Editor*

For example, you can select the keywords that have the lower quality score or the higher cost-per-click within the duplicate sets.

AdWords Editor has another feature that's helpful when selecting and organizing keywords and it's called Keyword Grouper. We often use this tool as an aid when we've inherited an unorganized account or when we have an unstructured list of keywords. Maybe your client handed off a list of keywords and you need to start somewhere. The tool works at the ad group level to sort keywords based on common terms. Therefore, imported keywords will be placed into a single ad group. Create an ad group to house these keywords. Ad groups are limited to 5,000 keywords so if your list is exceptionally big (i.e., over 5,000 keywords), you'll have to create more than one ad group. Treat this as a dummy group and name it something simple like GROUPER. Launch the tool by going to Tools ➤ Keyword Grouper in the AdWords Editor. A window will open and you'll be prompted to select your ad group. Select your ad group, click "Generate common terms," and then click Next. Google's ad group suggestions will be listed, showing the included keywords and suggested ad group name. There's also an option for ad creation from a template, but we recommend skipping this option.

Here are a few guidelines for selecting keywords:

- When selecting keywords, be sure to keep in mind the searcher's projected intent.

- Keywords should match your goals and align with the settings in your campaign.

- Use the estimator to get a feel for what your spend will look like. Alternatively, you can export keyword data to a spreadsheet and generate your own estimates.

- Cover a wide range as opposed to a narrow focus. See what works best; you're looking for keywords that will help you grow your account.

- Use negative keywords to control the reach of your keywords. Negatives are especially important in constraining the wider reach of broad match keywords.

Refining Your Keyword List Over Time

Every day 16% of the search queries Google sees are queries that Google has never seen before. This means a keyword list is always a moving target.

Search Query Report

Search query data is helpful for refining your keyword list and discovering additional negative keywords to add to your account. Search query data shows you the actual queries that Google matched to your keywords that were then clicked on by visitors. This data allows you to see where unproductive traffic is occurring and what versions of your keywords are drawing the most clicks and conversions. Broad matched keywords will create the widest search query variations, while exact match keywords will have no variation.

For example, let's say you're a fly fishing guide offering trips in Alaska, and you see in the report that your ad showed when someone searched for *fly fishing jobs in Alaska*. You're a small operation not looking to hire, and you don't want to pay for a click for someone who is clearly not a potential client. You use this information to add the negative keywords -*job* and -*jobs* to your negative keyword list. On the flip side, the search query report can reveal high-volume, well-converting variations of your broad match keywords. You might also discover high volume keywords that warrant their own ad group.

Other things to look for are abbreviations you didn't think of when first doing your research, varied spacing between words, or domain names or URLs you've overlooked. In all of these scenarios, making changes will help to improve your click-through rate, which in turn improves your quality score. As you make decisions based on data from the search query report, pay attention to the number of impressions to ensure you're basing your choices on a large enough sample size.

There are two places to find this data: the first is from the keyword section of the AdWords interface, and the second is in Google Analytics. To see the report in the AdWords account interface, navigate to the Keywords tab and select All from the "See search terms" tab, as shown in Figure 6-25. If you would like to see only matched queries for a subset of the keywords, select the keywords you're interested in and then click on "Selected."
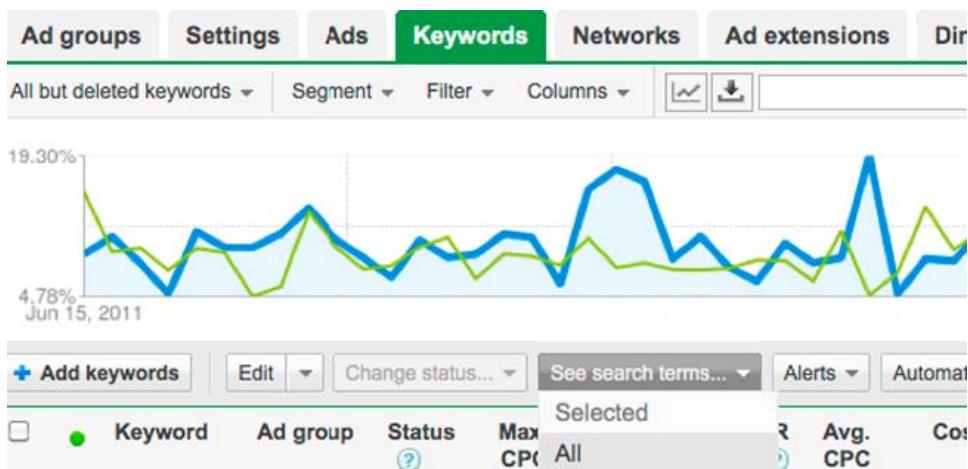
Figure 6-25. Locating the Search Query Report in the AdWords interface

Once you launch the report you will see a list of queries with performance statistics for each search term (Figure 6-26).

	Search term	Match type	Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. Pos.
	Total		282	3,355	8.41%	$3.40	$959.43	2.2
☐	aspen luxury rentals `Added`	Broad match	11	155	7.10%	$3.85	$42.33	1.6
☐	luxury rentals aspen `Added`	Broad match	9	56	16.07%	$3.48	$31.33	1.5
☐	aspen court luxury rentals piscataway nj	Broad match	4	15	26.67%	$2.95	$11.79	1.4

Figure 6-26. Query statistics

In the first column, *search term* refers to the search query that triggered your ads. The *match type* (second column) tells you how search terms triggering your ads are related to the keywords in your account.

- **Broad match**: The searched term is a variation of a keyword in your account. Let's use the data in Figure 6-26 as an example and look at the search term *aspen luxury rentals*. Google matched this search term to a keyword in your account; perhaps the keyword *aspen rental* is in your account. According to the match type rules, it's logical that Google would make this match. Looking at that search term, you have a few choices. You can add *aspen luxury rentals* to your current ad group. (We recommend broad matched modified or exact match or both.) You can deem *luxury* not relevant to your business and add it as a negative. Alternatively, you could create another ad group focusing on luxury-related keywords with luxury-focused ad text that takes the visitor to a landing page focusing on your luxury offerings.

- **Broad match (session-based)**: This is an interesting one—and a bit confusing. The search term is considered a variation of a keyword from your account but is based on previous searches the user has performed during the same search session. This is part of Google's effort to personalize search results. Because Google is matching your ad based on earlier searches, your ads could be showing even though the searcher has changed the intent of their search. Session-based broad match is often frustrating to advertisers because there's little they can do to limit these types of matches. The best you can do in this situation is to add these search terms as negatives; however, it's certainly not possible to add every possible negative keyword.

- **Phrase match**: The search term contains a keyword in your account. As a reminder, keywords set to phrase match will match to queries that include your keyword in the exact spelling and order but may contain words before or after the keyword. Look for keywords that match as phrase match but would work better as exact match. Also look for possible negatives. For example, you may have the keyword *Alaska fishing guide* in your account, and the search term *Alaska fishing guide school* is receiving clicks. In this case, *school* is another logical negative.

- **Exact match**: The search term exactly matches a keyword from your account keyword list. The keyword in your account can be a broad match or phrase match keyword that matches exactly as entered.

To review, search queries matched to your ads should be added to your account and irrelevant searches should be added as negatives. In the example in Figure 6-26, *aspen luxury rentals, "aspen luxury rentals"*, and [*aspen luxury rentals*] should be added to your account. Conversely, because your business is *not* located in Piscataway, NJ, add the following negative keywords: -[*Piscataway, NJ*] and -*Jersey*. This will keep your ad from appearing for similar searches in the future. When adding negatives from within the report, you can select the keyword that you would like to add as a negative then click on the box for "Add as negative keyword." The settings in Figure 6-27 will appear at the top of the search query report.

Figure 6-27. Adding negative keywords from the search query report

By default, Google suggests adding the keyword as exact match. However, exact match is not always the best choice. Take, as an example, a campaign where you are advertising for jobs within the mountaineering field. *Fishing* will never be relevant to your business. We would recommend adding just

the word *fishing* as a broad match. Adding the negative as Google suggests will only exclude a very limited number of searches. Also, note that you have the option to add the negative keyword at the ad group level, the campaign level, or to a previously created negative keyword list.

As with other tables in the AdWords interface, it's possible to customize the columns to show the data most relevant to you. To do this, click the Columns pull-down and select "Customize Columns."

Google Analytics Data

To see search query data in Google Analytics, navigate to a keywords report. Keyword data is available under Traffic Sources reports as well as at Google Analytics ➤Advertising ➤ AdWords ➤ Matched Search Query. You can add a second dimension to show the keyword as it's listed in your report. Figure 6-28 shows an example table of the data you'll see.

Viewing: **Matched Search Query** Match Type Other ▾

	Matched Search Query	Keyword ⓘ	Visits ↓	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate	Goal Completions
☐ 1.	aspen condo rentals	+aspen +condos	12	4.50	00:02:25	50.00%	25.00%	1
☐ 2.	aspen condos	aspen condos	12	3.25	00:01:27	66.67%	41.67%	1
☐ 3.	aspen condos for rent	+aspen +condo +rent	11	1.91	00:00:20	81.82%	72.73%	0

Secondary dimension: Keyword ▾ Sort Type: Default ▾   Advanced Filter ON ✕ edit View: ▦ ▾ 1 - 25 of 210

Figure 6-28. Visit data for keyword matches

By viewing the data in Google Analytics, you can see more in-depth information, such as Bounce Rate, which is available only in Google Analytics.

Keep in mind that the search query data only includes queries for ads that were both displayed and clicked on. Therefore, if you're receiving impressions for search terms matching your keywords but not being clicked on, these search terms won't appear in these reports. Search query reports are not available for keywords in the Display Network (although there's a similar report for placements, which we will discuss in Chapter 8.)

The Opportunities Tab in AdWords

Another source of information when refining your list is through the Opportunities tab in AdWords. The Opportunities tab is located in the main navigation section. Within the Opportunities page navigation frame is an Ideas link, which lists Google's suggestions for your campaign, broken out by budget and keyword suggestions. Figure 6-29 shows an example of suggested keywords.

Figure 6-29. Keyword ideas via the Opportunities tab

You can sort the list by campaign by using the tree navigation on the left. You can also adjust results by choosing one of the goals suggested by Google, as shown in Figure 6-29. Click the ideas within a campaign and a window will appear, as shown in Figure 6-30.

Figure 6-30. *Reviewing keyword suggestions*

We recommend reviewing the keywords closely versus adding keywords through "select all." Some keywords will be good recommendations while others will be out of the scope of your business and/or campaign. The benefit to looking through this data is that Google has insight into new searches in the Search Network, which change daily.

Keyword Opportunities in AdWords Editor

In addition to viewing keyword opportunities within AdWords, AdWords Editor provides ideas for expanding your keyword list. Once in the AdWords Editor tool, go to Tools ➤ Keyword Opportunities. There are three choices.

- **Keyword expansion**: Much like the Keyword Tool within AdWords, you can enter a keyword to see possible keyword suggestions. Figure 6-31 shows an example.
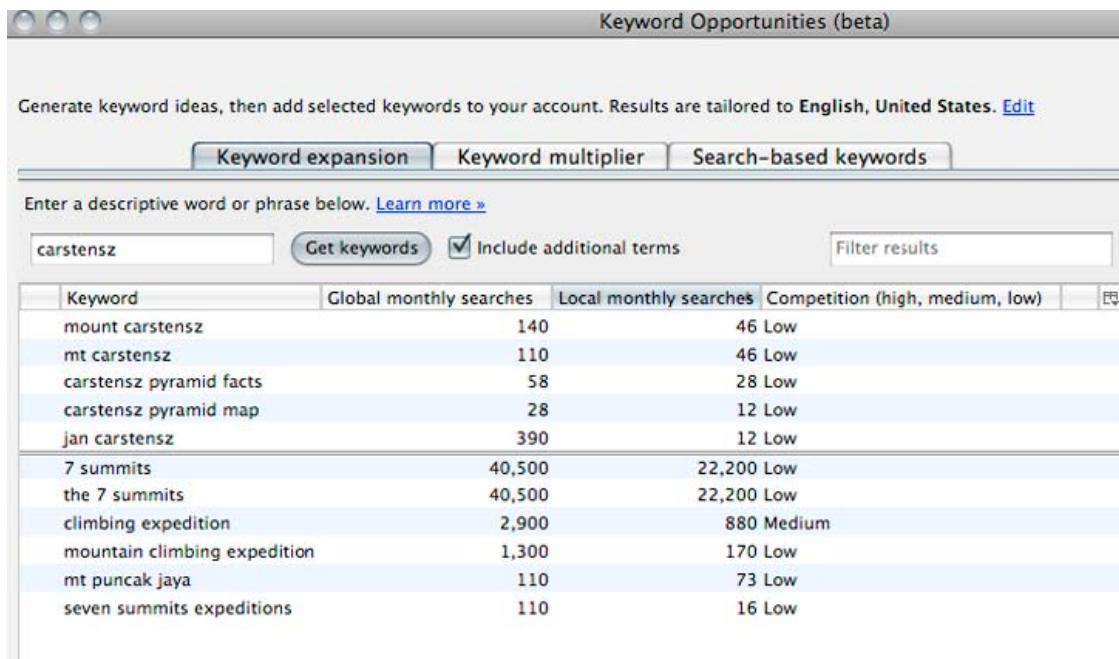
Figure 6-31. Keyword expansion in AdWords Editor

Included in the results are search volume and competition information. You can add keywords directly into your account from this screen (Figure 6-32).

Figure 6-32. Adding keywords from AdWords Editor suggestions

- **Keyword multiplier**: The keyword multiplier lists keywords to generate new keyword possibilities, which can then be added directly to your account. Figure 6-33 shows an example of the tool in use.

Generate keyword ideas, then add selected keywords to your account. Results are tailored to **English, United States**. Edit

| Keyword expansion | Keyword multiplier | Search-based keywords |

Combine lists of terms. Terms with low search traffic for your selected locale are automatically excluded from the combined list.
Learn more »

List 1	List 2	List 3 (optional)
luxury high-end	travel tours vacations	agency agent

(Get keywords)

Total: 4

	Keyword	Global monthly searches	Local monthly searches	Ad/search share	Competition (high, medium, ⬚
	luxury travel agent	5,400	1,900	– / –	High
	luxury travel agency	4,400	1,600	– / –	High
	high-end travel agency	590	260	– / –	High
	high-end travel agent	590	260	– / –	High

Figure 6-33. Using the keyword multiplier in AdWords Editor

Keyword possibilities with low search volume are not included in the results. The threshold of this setting can be changed in your AdWords Editor settings (Windows) or Preferences (Mac).

- **Search–based keywords**: This tool generates possible new keywords based on your web site. The suggested keywords are based on queries seen by Google over the past year. Because these suggestions are based on your web site, the volume estimates will differ from those provided by the Keyword Tool. Figure 6-34 shows the steps for generating results.
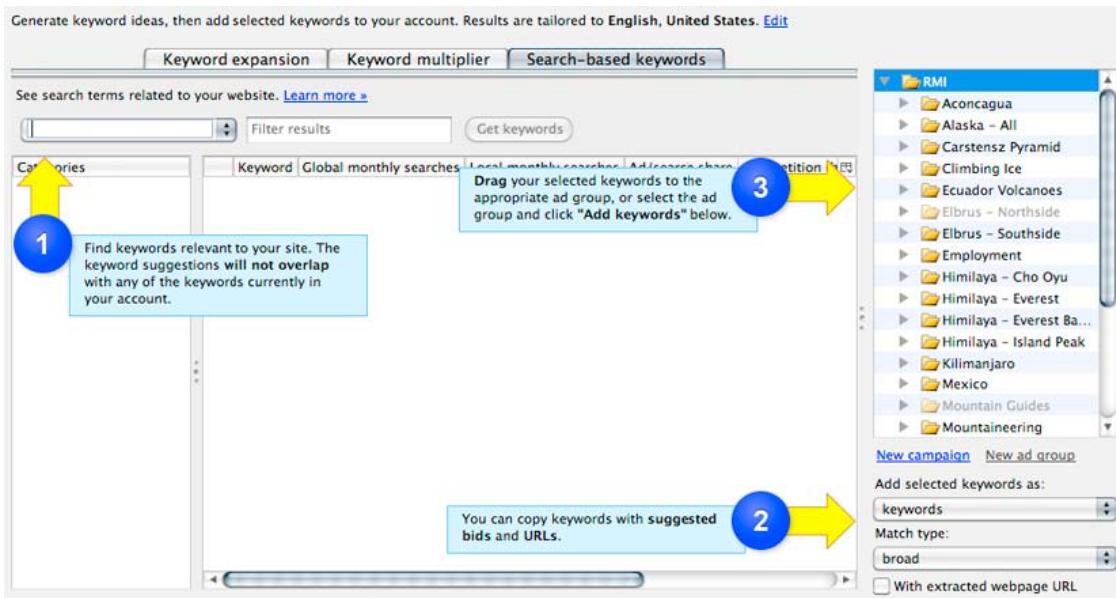
Figure 6-34. Generating keyword ideas in AdWords Editor

Summary

The number of new search queries increases daily. Finding the keywords that match these new queries, match searcher's intent, and result in profit for your business are important aspects of improving your campaign strategy. In this chapter, we started by reviewing different types of keywords. Long-tail keywords represent a large percentage of the searches on the web. These keywords should be an important component of your campaigns since they generally bring in visitors that are further along in the sales cycle.

As you perform keyword research, try to organize your keywords into themes and group related keywords together. Google's Keyword Tool provides a wealth of useful information when seeking out the best keywords for your account. We reviewed how to use this tool and other possibilities for keyword research and list building.

Next, we talked about refining keywords once your campaign is live and receiving clicks. It's important to continuously add new keywords, adjust match types, cull keywords that don't provide value, and add negatives. All of these actions will lead to increased account performance over time. We also reviewed using the search query data and keyword suggestions from Google.

Well-themed ad groups and carefully honed keyword groups will help you write targeted ad text and create relevant landing pages. In the next chapter, we will discuss creating effective ad text and landing pages.

Creating Ads and Landing Pages

Selecting the best keywords for your campaign is only the first step. Getting users to click your ad and convert are the essential next steps. Finding the right message that attracts the attention of your audience is an important piece of a successful campaign, as is addressing your audience's questions and needs with well-crafted landing pages.

The search intent of a user is generally categorized as navigational, informational, or transactional. We are primarily interested in the transactional category here, since advertisers are promoting products or services. The average amount of time the user spends looking at a search results page is different for each category. One study showed that searchers looked at a search results page an average of 10.3 seconds, and that they viewed a single result an average of 1.3 seconds. This is not much time to convince a user to click your ad.

In this chapter, we will discuss writing ads for the Search Network. Before we go into the strategy for writing compelling ad text, though, let's have a look at Google's editorial and legal frameworks.

Google's Editorial Guidelines

The typical text ad (Figure 7-1) has four components: a headline, a description (usually two lines), a display URL and a destination URL (landing page). (The last isn't displayed but is instead used by Google to take the user to the landing page when the user clicks the ad.)
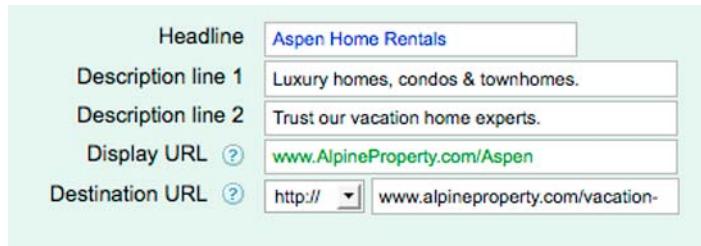
Figure 7-1. Standard text ad layout

The first thing to consider is the maximum character allowance for each of these items.

- **Headline:** 25 characters

- **Description line 1:** 35 characters

- **Description line 2:** 35 characters

- **Display URL:** 35 characters. This doesn't need to exactly match the destination URL, and the extension (the part of the URL after the first slash) can be used as another opportunity to insert your keywords and add to your message. Although the domain must match your site, the part of the URL after the slash can represent a URL that doesn't need to exist on your site.

- **Destination URL:** 1,024 characters. The searcher doesn't see the destination URL, except in the browser's address bar after the ad is clicked. This must accurately reflect where you are taking the user. Google will detect any redirection of destination URLs and stop your ads from running. Destination URLs and display URLs must have the same domain. Destination URLs are often used for tracking purposes and contain tagging code in addition to the landing page URL.

These character count limits are hard-and-fast constraints on the part of Google, and it takes time and effort to become skillful at honing your message to meet these standards. Google's ad extensions (such as call and location extensions) are, however, one way to expand your message. We will discuss these later in this chapter.

In addition to the standard text ad layout shown in Figure 7-1, Google is constantly testing variations. Some recently allowed new layouts include

- Placing the display URL above the description and including the entire description in one line (this option only pertains to ads in the top positions).

- Including Line 1 of the description in the headline.

- Including the display URL in the headline.

In some cases, as with the one-line description, Google will show an ad preview of both versions while you are creating the ad. Use this as an opportunity to see whether your ad makes sense in both layout scenarios. Sometimes, when writing your ad to meet the character restrictions, you may choose to skip punctuation on the first line. However, this could make for confusing ad text. Figure 7-2 shows an ad with no first line punctuation in the description.

Climb with RMI Guides
Over 300 expeditions on Mt McKinley Guiding in Alaska since 1975.
www.RMIGuides.com

Figure 7-2. *A sample ad with no first line punctuation*

As you can see from this example, a one-line description makes this ad unclear.

In addition to meeting character limits, ads should be accurate and truthful. To ensure your ads are up to standards, you will need to observe the following rules:

- **Proper punctuation, grammar, and spelling:** Google doesn't allow the use of all caps for words that don't normally have all caps. Spacing should be appropriate, so include a space after punctuation. You may not use symbols in ads, with the exception of ©, ®, and ™. Google also forbids repetition (like "Buy, Buy, Buy" or "Now, Now, Now"). Numbers, characters, and symbols can't be used to replace words, such as "4" for "for" or "U" for "you."

- **Claims:** If you offer special pricing or discounts, show them within a few clicks from your destination URL; otherwise, Google will not approve your ad. Superlatives such as "best" are rarely approved without verification by a third party.

- **Inappropriate language and unacceptable phrases:** Think family-friendly and Google will be happy. Although a bit ambiguous, most of us have a reasonably good idea of what's offensive and what isn't. Google also disallows certain call-to-action phrases such as "click here."

- **Ads should be relevant, clear, and accurate.** Ads should accurately reflect what a user will see after clicking on the ad and getting to your landing page. Landing pages should reflect the products and services you offer in your ads.

- Lastly, don't claim an affiliation with Google.

Legal Considerations

In addition to Google's editorial standards, ads must also comply with Google's legal guidelines. This section provides an overview of these guidelines as of this writing; it's a sure bet, however, that these will change from time to time. Be sure to review these guidelines periodically on Google's AdWords site. (The quickest way of navigating to Google's help center on this subject is to search for "AdWords legal.") Google provides country-specific guidelines for ads promoting certain kinds of products and services, so this is always a good place to start if you are running multi-country campaigns.

The consequences of violating Google's legal standards can be serious in terms of an advertiser's ability to continue using AdWords in good standing. Here's the short list of things that may happen:

- The domain could be disabled in AdWords.

- Ads could be disapproved.

- The AdWords account could be suspended.

- The advertiser could be automatically suspended from setting up new accounts.

Trademarks

The general rule regarding trademarks is that you are allowed to bid on competitor's names, but you can't include them in ad text unless you are a reseller. Rules vary by country, of course; if you set up your campaign to run in multiple countries, it's advisable to either become familiar with the intellectual property (IP) law and other relevant legal environments in these countries or have a qualified advisor or agency do the legal vetting for you.

In the US, Canada, and UK, you are permitted to use trademarked terms in the ad text in certain circumstances. These include

- Ads that use the term in a descriptive or generic way and not in reference to the trademark owner or the goods or services corresponding to the trademark term.

- Ads that use the trademark in a nominative manner to refer to the trademark or its owner, specifically the following:

- **Resale of the trademarked goods or services:** The landing page of the ad must sell (or clearly facilitate the sale of) the goods or services corresponding to a trademark term. The landing page must also clearly demonstrate that a user is able to purchase the goods or services corresponding to a trademark.

— OR —

- **Sale of components, replacement parts, or compatible products corresponding to a trademark:** The landing page of the ad must sell (or clearly facilitate the sale of) the components, replacement parts, or compatible products relating to the goods or services of the trademark. The landing page must also clearly demonstrate that a user is able to purchase the components, parts, or compatible products corresponding to the trademark term.

— OR —

- **Informational sites:** The primary purpose of the landing page of the ad must be to provide informative details about the goods or services corresponding to the trademark term. Additionally, the landing page may not sell or facilitate the sale of the goods or services of a competitor of the trademark owner.

Copyright

Simply stated, Google's policy on copyright compliance "prohibits the promotion of copying or the distribution of copyrighted content for which you don't have consent from the copyright holder and which is not otherwise permitted by law." If you think your services or products involve copyright considerations, it's a good idea to become familiar with the Digital Millennium Copyright Act (DMCA) passed by Congress in 1998. (A good place to start is the Wikipedia article on DMCA. You can access the text of the DMCA at www.copyright.gov/)

Examples of products or services prohibited in AdWords by Google copyright policy and guidelines include the following:

- Software and web sites that capture, copy, or provide access to copyrighted streamed content of music, TV, and movies.

- Software facilitating the download of music, movies, or television programs, regardless of price or mention of "royalty free."

- Satellite or TV to PC services and software that streams channels, including radio and music, via PCs or other means.

- Physical copies of backed-up versions of CDs, DVDS, or software, including video games.

- DVD converters, burners, and rippers promoting the duplication of copyrighted movies, music, TV programs, movie-studio movies, commercial software, or video game collections.

- Sites distributing or selling unauthorized copies of copyrighted works. Examples of products or services allowed under Google's policies include:

- Promotional movie trailers.

- Sites for independent musicians or artists.

- Audio guides and books.

- Sites offering movie rental and delivery service through the mail.

- The download or purchase of sounds or white noise advertised as a sleep aid.

- Software promoted to help users create or copy home movies and unprotected personal DVDs and CDs.

- Generic ringtone sites, including mp3 ringtones (not including mp3 song downloads).

Some of these examples may be prohibited under the copyright or intellectual property law of countries other than the US; if you are embarking on a multi-country campaign, take the usual precautions and due diligence. If you have doubts about the copyright implications of any product or service you include or promote in an AdWords campaign, it's a good idea to consult an attorney.

Counterfeit Goods

Counterfeit goods are products or services that attempt to deceive consumers into believing that the counterfeit is a genuine product of the brand owner or products sold as imitations of the original product. AdWords disallows the promotion of any type of counterfeit goods. Under this policy, products that Google would *prohibit* in any AdWords campaign include

- Knock-offs, replicas, imitations, clones, faux products, fakes, or mirror images.

- Unauthorized sports-related "replica" uniforms.

Examples of *allowed* products include:

- Authentic designer goods offered by the brand owner or an authorized reseller.

- Uniforms reproduced by sports teams and sold as official team apparel.

Here again, trademark or IP law affecting what may be legally categorized as a counterfeit good varies from country to country, so the previous caveats apply.

Restricted Products and Services

Google maintains a comprehensive list of products and services that are restricted under AdWords policy and guidelines. This list includes the following categories:

- Abortion

- Adult sexual services

- Alcohol

- Casinos and gambling

- Illegal drugs

- Endangered species

- Fake documents

- Fireworks

- Hacking

- Healthcare and medicines

- Illegal products and services

- Solicitation of funds

- Tobacco products

- Trade sanctions and restricted parties

- Traffic devices

- Underage and non-consensual sexual acts

- Weapons

There are clear guidelines delineated on the AdWords web site for each of these categories of products. In some categories, any product or service that falls under the definition of the specific category is strictly disallowed. In other categories (e.g., alcohol), there are certain kinds of items that are disallowed and certain kinds that aren't. Again, there can be variations between one country and another.

Writing Compelling Ad Text

Now that you understand the landscape, it's time for the fun part: writing compelling ad text. Creating an effective message, given the constraints and guidelines covered in the previous section, is truly an art. Don't be concerned if it sounds like a daunting task. Although writing effective ad text isn't easy, practice and testing will constantly improve your ad writing skills. Depending on your goals and where searchers are in the buying cycle, there are several paths for developing your message. In this section, we will discuss how to develop some strategies and how to focus these strategies in a way that addresses your goals.

As a general rule of thumb, be concise but thorough. Always keep your potential customer in mind when creating your ads: what is important to them and what will strike a chord with your audience? Well-crafted ads that resonate with your users will lead to higher click-through rates, and higher click-through rates will lead to better quality scores. The goal is to get clicks, but clicks from the users that are potential clients. Your ad text needs to attract the right clicks—those that will convert for you.

Call to Action

If your primary goal is to drive conversions, it's important to include a "call to action" in your ad, telling the users exactly what you want them to do. Some examples of call to action phrases include:

- Buy here

- Call today

- Get a quote

- Subscribe

- Download

Obviously, the action you want them to take should be clear on your landing page. Think about incentive-based words that help the user to think ACTION, such as "guaranteed" and "save." Another way to encourage an action is to include expiration dates in ads.

Features and Benefits

Features describe your product or service. The range of features, of course, can be as varied as the products on the market. For example, the description of dog food could be "grain-free and organic." Benefits highlight the advantages of your product or service and help to separate your products from the competition. Searchers who are early in the buying process are more likely to be attracted by features, while benefits are more likely to appeal to searchers later in the sales process. Searchers in the ZMOT phase (Chapter 3) will be comparison-shopping and gathering information. Highlighting benefits is one way to show users that you have the solution to their problem. Keep your target audience in mind when selecting between features and benefits. Often a combination of both features and benefits works best.

Discounts

Offers of discounts resonate well with searchers who are comparison-shopping in the ZMOT phase. Given the choice between two ads, one of which offers a discount, searchers are more likely to choose the ad with the discount. Think about what you can offer that the competition doesn't, such as free shipping or 24/7 support. Bargain-hunting words and phrases include:

- Coupon

- Price cut

- Rebate

- Markdown

To comply with Google's rules, you must display the offer stated in the ad within one or two clicks of the landing page, and the prices mentioned in the ad must be accurate.

Create a Sense of Urgency

Expiration dates and limited time offers induce a sense of urgency. With such little time to grab the attention of potential customers, evoking urgency is one way to encourage them to take action—now! Here are some example phrases you could use:

- Limited time only!

- Save today only!

- Offer ends tonight!

Informative Ads

Users often search to find an answer to a question. Informative ads are a way to show searchers you have the answer to their question. Again, searchers comparison-shop while in the ZMOT phase of the sales cycle. This is a great opportunity to connect with potential customers while they're gathering information. What questions would a searcher have that your product or service answers? Figure 7-3 shows two examples.

Learn About Dog Nutrition
Know what to look for when
selecting food for your dog?
www.whoofwhoof.com/nutrition
Learn About Dog Nutrition
Everything you need to know
about organic and natural dog food.
www.whoofwhoof.com/nutrition

Figure 7-3. *Two examples of informative ads*

Pose a Question

Questions in ads are attention getters. Your ads will almost always appear while a user is conducting a search, so your ad should flow with the searcher's thought process. People search with a purpose in mind. Questions such as "Looking for K2 Skis?" fit in with a searcher's train of thought. You can also use questions to arouse interest, such as "Like Skiing Deep Powder?"

Testimonials

Fitting a testimonial into 70 characters or less is often impossible, but a strong testimonial (if one can somehow be shoehorned in) is very alluring. Searchers in the ZMOT phase are likely looking for product reviews. Include phrases such as "Read Customer Reviews" to searchers in the ZMOT phase to let them know you can help them with their research and learning process, then include testimonials on your landing page. Searchers further along (in the FMOT phase of the buying cycle) will more likely be interested in reviews of your business and the reasons why they should buy from your site. By the time they reach the FMOT buying phase, searchers usually know what they want: in a sense, they're at the store shelf. Give them a reason to buy from you.

Official-Looking Ads

Where appropriate, include the ™ trademark symbol (unregistered) or the ® registered trademark symbol to build brand trust and give your ad an official look. In a competitive space where other competitors might be bidding on your brand, this will help separate you from the crowd.

Reflect the Search Query

Including your keywords in the ad is an important process, no matter how you define your goals. Remember, words from the user's search query will be **bolded** in the ad text. This helps to serve as a link between the user's search query and your ad. Because you have created well-themed ad groups, creating ad text matching the keyword group is much easier. This can also help improve your quality score, campaign performance, and relevance.

Dynamic Keyword Insertion

For larger ad groups, dynamic keyword insertion (DKI) allows you to insert the user's search query directly into your ad. You can use this feature for the headline, ad description, or display URL. Because character length constraints can prevent some search query phrases from fitting into the ad text, you can provide alternative text that will display if the search query doesn't fit. Figure 7-4 shows how a DKI ad would be set up in AdWords.

{KeyWord:Smith Sunglasses on Sale}
Find the shades you want at the
price you want. Free shipping!
www.buynewshades.net

Figure 7-4. *Ad created using dynamic keyword insertion*

The phrase "keyword tag" is used to represent the capitalization of the search query. In other words, how it's capitalized will determine how a user's search query is capitalized in the ad. Consider the following examples:

- {keyword: Smith Sunglasses on Sale}: The search query appears in lower case. Let's use the search query "showdown smith sunglasses" as an example. In this case, the search query would be dynamically inserted as "showdown smith sunglasses."

- {Keyword: Smith Sunglasses on Sale}: If the first word of the search query is capitalized, you have the same search query as above, but this time it's inserted into the ad as "Showdown smith sunglasses."

- {KeyWord: Smith Sunglasses on Sale}: This time each word within the user's search query is capitalized, but this time the phrase would appear in the ad as "Showdown Smith Sunglasses."

With phrase and broad-match keywords, the keyword inserted will match the keyword in your ad group that triggered your ad. Let's use the above example to help clarify this. You have the keyword "smith showdown sunglasses" in your account and a user searches for "find smith showdown." Google matches this query to the broad match keyword "smith showdown sunglasses" and that text is inserted into your ad.

Be aware of the keywords in your ad group, and ask yourself whether they would make sense when inserted in your ad. We believe DKI should be used only sparingly; in well-designed campaigns, you often don't need it. However, keep this tool in your arsenal and try rotating in DKI text when testing various ads.

The Display URL

Think of the display URL as a fourth line of ad text. It actually is, so it's nearly as important as the first three. The display URL gives users a hint of where they will go when they click your ad. Although the display URL doesn't have to be a page on your site, the displayed domain (i.e., the first part of the URL up to the first slash) must match that of the destination URL. This leaves several options for including keywords and messaging within the display URL. The display URL can serve as a place to sneak in words that might otherwise be prohibited for trademark reasons. Take, for example, the URL www.buytvs.com/sony. Anywhere else in the ad, you wouldn't be able to use the word "Sony." Nevertheless, as part of the display URL, it's representing a page on your site and thus would be approved.

Within a given Ad Group, the domain for all the display URLs must be the same, but destination URLs can vary. If you need to take the user to different sites, you should create separate ad groups or campaigns for each site.

Remember, the click-through rate of the display URL is a factor in the quality score. Google treats this line of the ad separately from the rest in determining the quality score.

The Destination URL

Although not visible, the destination URL is an important component of the ad. Every click an ad receives will take the user to that destination (also known as your landing page). Each ad, or even each keyword, can have a different destination URL, as long as the domain remains the same throughout a given ad group. To enter varying destination URLs at the ad level, create the ad with a different destination URL. To alter the destination URL at the keyword level, enter the unique destination URL within the Keyword tab of the AdWords interface or via the AdWords Editor tool. Keyword destination URLs trump ad level URLs.

The most common reason for adjusting the destination URL at the keyword level is to perform tracking. Advanced tracking techniques are outside the scope of this book, but linking your AdWords and Google Analytics account will provide the data needed to generate the data and reports discussed here. It's important to note that this tracking does take place within the destination URL and other analytics programs, and more advanced Google Analytics tracking would require adding additional variables to your destination URL.

Ad Extensions

Ad extensions allow you to add one or more lines to a standard text ad. We've found that ads with extensions see higher click-through rates. Use extensions as a tool to garner more attention and clicks to your ad. Possible extensions include location extensions, call extensions, product extensions, sitelink extensions, and social extensions. Figure 7-5 shows an ad with sitelink extensions.

RMI Expeditions - Find your adventure | RMIGuides.com
www.**rmiguides**.com/
New dates posted for 2012.

Seven Summits   Videos from Our Expeditions
Our Guiding Philosophy   Mt Rainier Climbing Programs

Figure 7-5. Sample ad with sitelinks

Ad extensions are added via the Ad extensions tab (see Figure 7-6). The added information may or may not appear as part of your ads. Currently, Google displays ad extensions only when the ad is in one of the top or bottom ad positions above or below the organic results. Multiple types of ad extensions can be set up for an ad.
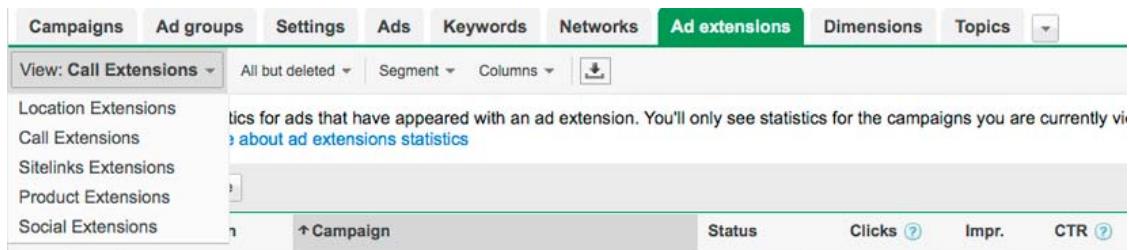
Figure 7-6. Accessing the Ad extensions tab

To create an extension or see statistics for an extension, choose the extension type from the pull-down menu. Let's take a closer look at the various types of ad extensions.

Location Extensions

We discuss this feature in Chapter 5 when we focus on local advertising strategies, and we talk more about location extensions for mobile ads in Chapter 9. Any business can add a location extension, so this AdWords feature is a great way to increase your relevance to searchers. Location extensions can be added manually or by linking to your Google Places account.

Call Extensions

There are two types of call extensions. The first targets users on mobile devices with full Internet browsers. These users see your business number in the ad and can click to call your business. Users on desktops, laptops, and tablets will not see your number. We discuss this topic in Chapter 9 on mobile advertising. The second type of call extension uses a Google forwarding number. Google assigns a unique number to your ads via Google Voice technology. The ad displays this number on both mobile devices and desktops/tablets. If a user calls the number, the call is forwarded to your business number. Users on high-end mobile devices can still use the click to call feature. Google attributes the call data to the appropriate campaign, ad group, and keyword.

To enable a call extension, select the Call Extensions option from the Sitelinks Extensions pull-down. Click "+New Extension" and you will see the screen shown in Figure 7-7.
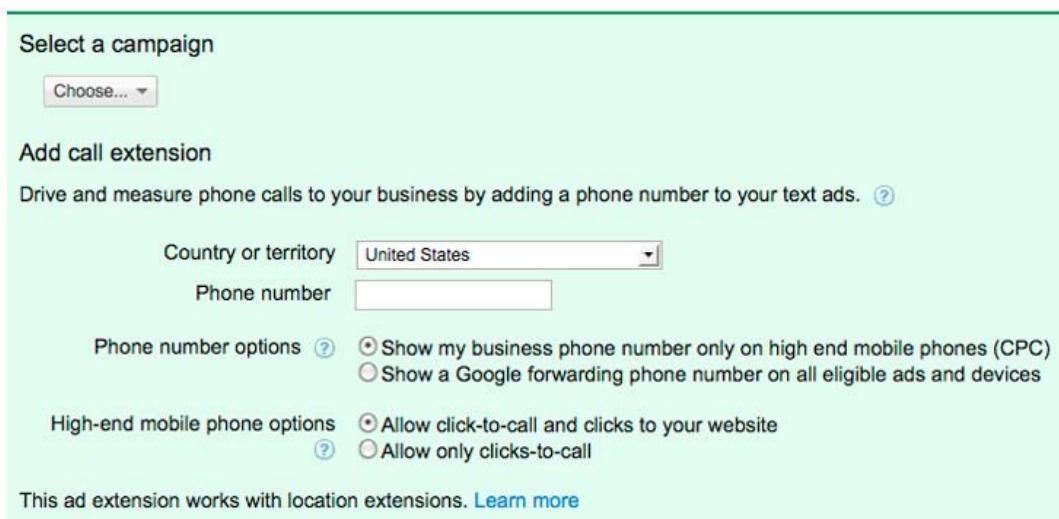
Figure 7-7. Creating a Google forwarding number extension

Google charges calls to a Google forwarding number a minimum of $1.00. In addition, you can set a bid-per-call, which requires setting a maximum call-per-phone call (CPP).

Google shows call data on the Campaigns and Ad Group tabs by customizing the table to show call details. Alternatively, you can use the Segment menu to segment the data by click type. In addition, you can see detail data for your calls through the Dimensions tab. Go to View ➤ Select Call Details. When using a Google forwarding number, you can see the length of the call and the area code where the call originated. Use this data to determine the quality of leads coming from your calls.

■ **Note** Both call and location extensions allow you to enter a phone number. The number listed in a call extension will display regardless of the searcher's location, while location extensions are based on the location of the searcher and their proximity to your business. Call and location extensions can be used together. For example, a call extension could be used to display your main number and location extensions could be used to display a local number.

Product Extensions

When a searcher enters a query related to one of your products, products extensions allow you to display pictures and prices of your products below your ads through the expansion of a "plus box" (see Figure 7-8). Products extensions are a great way to give a boost to your ads. This is your chance to occupy more real estate and convey more information to your potential customers. Serious buyers can instantly see what you have to offer and at what price you are offering the displayed products.
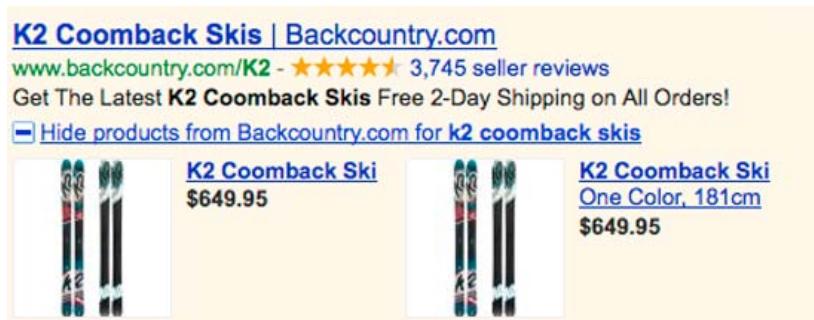
Figure 7-8. Example ad with a product extension

Product extensions are enabled by linking your Google Merchant Center with your AdWords account. To trigger a product extension, the user's search query must match the data in your Merchant Center. Product extensions only display on Google.com search results pages or on m.google.com on high-end mobile devices.

To enable product extensions, you must first have a Google Merchant Center set up. In addition to providing the data for product extensions and product listing ads, Google Merchant Center provides a hub where your products can be uploaded for use in Google Product Search and Google Commerce Search. The setup process requires a Google account and a data feed for your products. To create a Merchant Center, go to `www.google.com/merchants` and start the process of configuring your account. For more information on creating a Merchant Center account, refer to the Merchant Center support at `www.google.com/support/merchants/`. The next step is to link your Merchant Center and your AdWords account. Sign into your Merchant Center and enter your AdWords customer ID by clicking AdWords in the Settings menu.

Next, log back in to your AdWords account. Navigate to the Ad extensions tab. Click "Product Extensions" from the View pull-down menu. When you choose to "+ New extension," you will see the options shown in Figure 7-9.
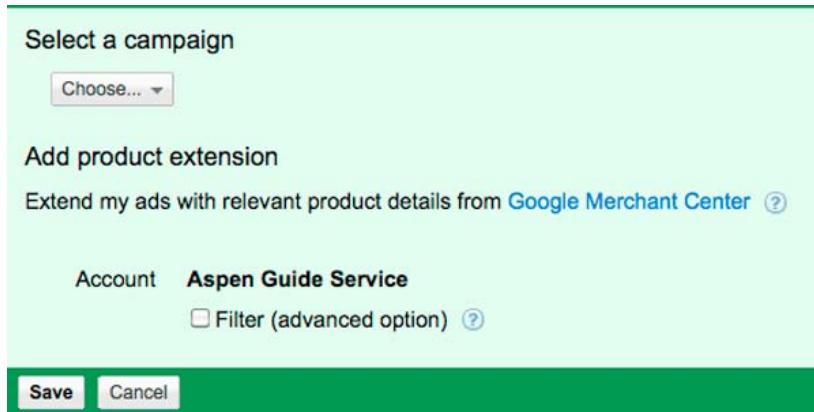
Figure 7-9. Adding product extensions

The products that show up as extensions are determined by the information in your Merchant Center data feed. To further control which products are shown, you can use either product filters or auto targeting. Both allow you to better match products to your ads based on attributes within your Google Merchant Center data feed. You will need to make sure these attributes are populated within your feed and then uploaded into your Merchant Center. Once uploaded, product filters are configured through the product extensions tab. Click "Filter (advanced option)" (See Figure 7-9) when creating your product extension. With previously created product extensions, product filters can be added by clicking on the Ad Extension within the table to enable editing. You can then define which products match a campaign based on product type, brand, condition, adwords labels, or adwords grouping. The "adwords_grouping" and the "adwords_label" attributes are specific to creating custom groups of products that you define.

"Adwords_grouping" only accepts one value, while the "adwords_label" can have multiple values and thus can be used to associate a product with multiple campaigns or ad groups. Adwords_grouping can be used with CPA or CPC bidding, while AdWords_labels can only be used with CPC bidding.

Once your Merchant Center is linked to your AdWords account, a new tab will appear for Auto targets. Click the Auto targets tab to match ad groups to an attribute. You have to set at least one target, which could be the "Add all products" option. Other target options are the same as with the product filters (Figure 7-10).

Figure 7-10. Setting Auto Targets for Product Extensions

Once you have matched ad groups and attributes, the product targets will be displayed in the table as shown in Figure 7-11. To adjust bids for different product targets, click in-line on the max CPC column.

Figure 7-11. Auto target data table

Again, data on product extension clicks can be seen by segmenting by click type or by viewing the ad extensions tab. In addition, you can go to Dimensions ➤ Free clicks to see how many visitors clicked on the plus box.

Sitelink Extensions

This type of extension allows you to advertise more targeted or specialized pages within your site, as illustrated in Figure 7-12.
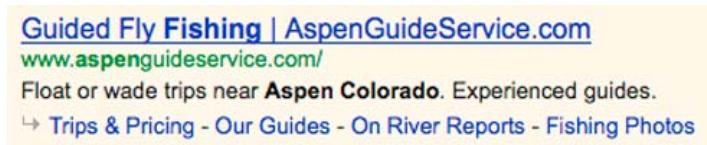
Figure 7-12. An ad with sitelinks

Sitelinks give you full control over what links display, and they give you the opportunity to target multiple landing pages on your site. In addition, you can promote multiple areas where visitors can convert. By offering the searcher the ability to choose the landing page most relevant to them, they're more likely to convert. Sitelinks only appear in ads qualifying for the positions above or below the organic search results. High quality scores increase your chances of your ad displaying with sitelinks.

Again, to enable this extension, go to Ad Extensions ➤ View ➤ Sitelink Extensions. Click "+New Extensions" and select your campaign (see Figure 7-13).
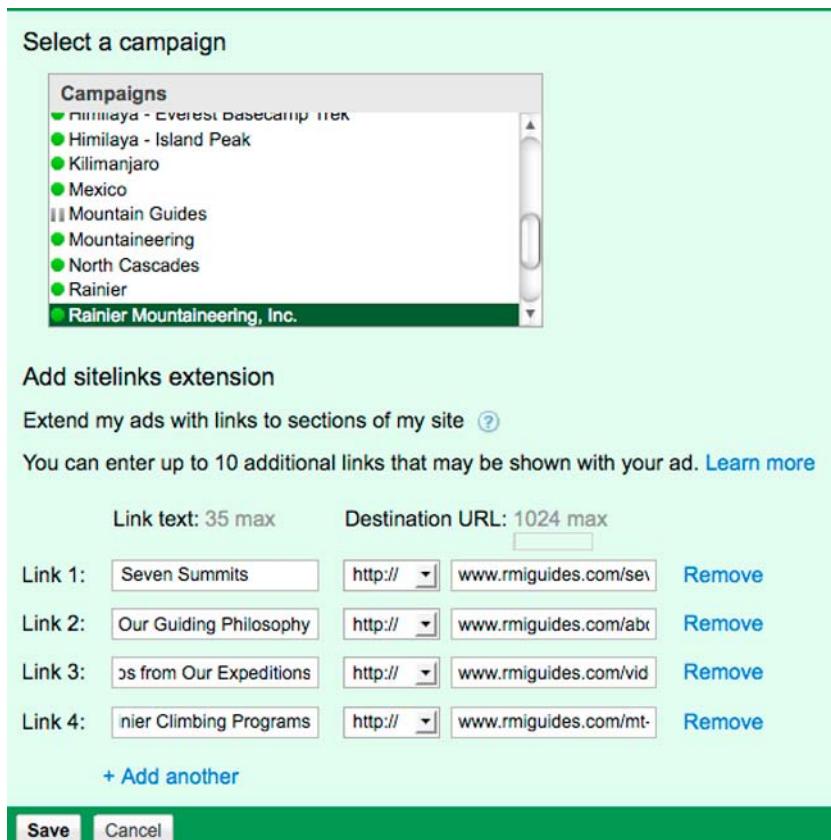
Figure 7-13. *Enabling sitelinks*

Add your sitelinks by entering your link text and the corresponding destination URL. You can add up to ten sitelinks, although the number displayed won't exceed six. Click Save and your new sitelink combination will display in the table. Once you've created a sitelinks extension, you can easily add the same group of sitelinks to another campaign by clicking on "+New Extension," selecting the next campaign, and then click "Select extension."

Which sitelinks AdWords will display depends on the search query triggering the ad. Google uses the click-through rate of the sitelinks to determine the order in which they are displayed.

Use sitelinks as an opportunity to combine the most successful elements of your campaign. Use ad text that has proven to have high click-through rates. Associate landing pages that are high converters, and promote sub-brands of your core brand.

Another option for sitelinks is enhanced sitelinks. This newer sitelink format displays a headline with two description lines (See Figure 7-14). You can't define sitelink extensions within your account. Instead, Google looks at the sitelinks you have added to your account and matches the sitelink to a related ad in your account.

Figure 7-14. *Example of Enhanced Sitelinks*

It's also important to note the following: although sitelinks add additional landing pages, landing page quality is still determined by the main destination URL. Google won't charge you if someone clicks more than one sitelink. Duplicate clicks are treated as invalid clicks.

You may also add and edit sitelinks through the AdWords Editor. To access sitelinks, navigate to Extensions ➤ Sitelinks. Figure 7-15 shows the table where sitelinks are edited.

Figure 7-15. *Adding sitelinks in AdWords Editor*

To see statistics for your sitelinks, return to the Ad extensions tab. Currently, performance statistics are only listed for the combined group of sitelinks, and individual link performance isn't available without more sophisticated tagging

Social Extensions

This extension allows you to show social recommendations as an annotation to your ads. To activate social extensions, you link your Google+ page with your AdWords account. +1s are shared between your AdWords ad and your Google+ page. Therefore, if your Google+ page has 25 +1s, these will show as an extension to your ad. If a user +1s your ad but doesn't click the ad, you are not charged for a click. To evaluate performance of ads with the +1 annotations, you can segment your data by +1 annotations. We will talk more about segmentation in Chapter 10.

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Seller Extensions

These automatically take effect when you reach certain levels relating to Google Product Search. There is nothing you can do to set up these extensions in AdWords. You must have 30 reviews in Google Product Search, and the reviews must be unique and rated at four stars or higher. A Google Merchant Account is not required.

■ **Note** The data shown within the Ad Extensions tab shows how many times an ad extension was shown and the clicks represent clicks to either the headline of the ad OR the extension. To see clicks for only your extensions, use the "Segment" menu to choose "Click type."

Product Listing Ads

Not to be confused with product extensions, Product Listing Ads (or PLAs) show the pricing, images, titles, and other product-related information available from your Merchant Center (Figure 7-16). As with product extensions, you should first link your AdWords account to your Google Merchant account. It's possible to have both a PLA and a text ad displayed at the same time, which increases your visibility on the page. Much like text ads, PLA ads are ranked based on bid, historical performance, and relevancy. Because the data in your Merchant Center controls when and where your PLAs are displayed, it's important to keep the data in the Merchant Center current. As you can see from Figure 7-16, your ad may appear next to your competitor's ads.

Figure 7-16. Example of Product Listing Ads

Once your Google Merchant Center and AdWords account are linked, you can create PLAs by creating a new campaign set to run on the Search Network. (PLAs are not shown on the Display Network.) Select the proper campaign settings for location, language, budget, etc. Under the Advanced Options ➤ Ad Extensions, click on the check box next to "Extend my ads with relevant product details from Google Merchant Center." Click "Save and Continue."

You will then be prompted to create your first ad group. Think about the best way to organize your ad groups. You can organize them based on the various attribute options including product type, brand, condition, adwords_labels, and adwords_grouping, or any combination of these. Name your ad group appropriately and under "Create an ad," click the radio button next to "Product Listing Ad." You then have the option of entering a promotion. This is not a required step, but it's a good opportunity to help increase your click-through rate (and potentially your quality score) by advertising a special offer or special shipping rate. Under the Auto targets section you can choose to include all products, if relevant. Otherwise, uncheck this box and select your specific auto targets via the Auto targets tab at a later time. You do not need to enter keywords as Google will use the data in your Merchant Center to match your products to search queries. Enter your bid amount and click "Save ad group." If you did not select "All products" in the campaign settings, you will automatically be taken to the Auto targets tab. As with product extensions, this is your chance to tell Google what products to match with this ad group. Because Google pulls the data from your Merchant Center to create your ads, you do not need to do anything to your ads. However, you can create new promotions from the Ads tab by selecting "+New ad" and then clicking "Product listing ad."

Ad Preview Tool

The Ad Preview and Diagnosis tool is a way to see what your ad looks like live on Google without accruing actual impressions. You can use the setting options shown in Figure 7-17 to define the geographic region where your ads will show. This is especially helpful when you want to see ads set to display outside your current location. Settings for this tool are located within the Google AdWords interface under the Reporting and Tools tab. Enter a search query you would like to explore and select the domain, language, location, and device to match your campaign.

Figure 7-17 *The Ad Preview and Diagnosis tool*

The tool will generate a preview search result showing the live SERP without increasing impression numbers. Figure 7-18 shows an example of the preview screen.
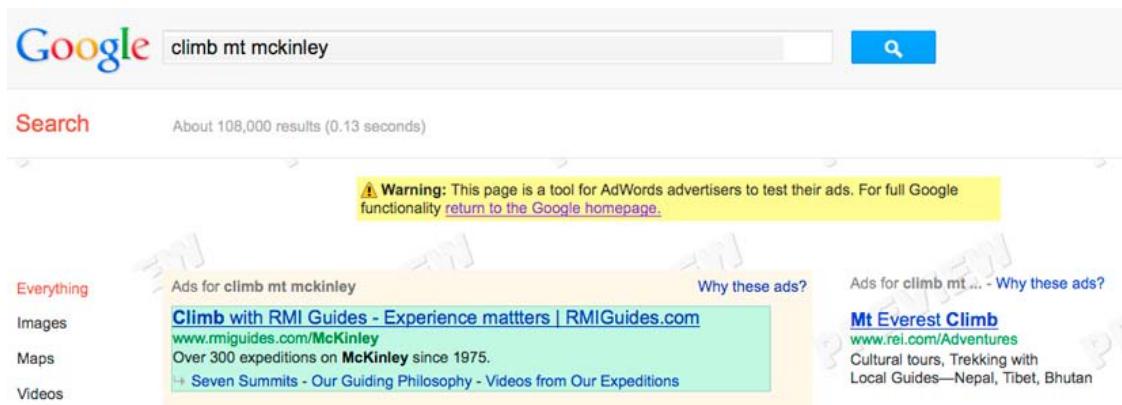
Figure 7-18. The preview generated from the Ad Preview tool

If your ad doesn't appear, the tool will show the reason, as well as suggestions for what you can do to increase visibility (Figure 7-19).

Figure 7-19. Ad preview results

Checking Your Ad Status

When you save a new ad, it's automatically submitted for review and will receive a status of either "under review" or "eligible." Ads under review won't display until Google reviews them and they're found to be in compliance with the ad policies. Ads listed as eligible are approved to run only on Amazon.com SERP pages for users who have SafeSearch filtering turned off, but won't run on the Search Network or Display Network. Google will normally review your ad within 1-3 days, at which time your ad will receive one of the following statuses:

- **Approved**: You are ready to go on all networks.

- **Approved (non-family), Approved (adult)**: Google has deemed your ads not appropriate for all audiences. Not all sites on the Google Network will accept your ads and users that have turned on SafeSearch filtering will not see your ads. SafeSearch filtering is set up in the user's Google preferences and tells Google not to show ads in this category.

- **Approved (limited)**: In this case, your ad will not show in all areas or on all devices. This could be caused by a trademarked term approved to appear only in some regions, or by other content, such as gambling, not approved in some regions.

- **Disapproved**: Google believes your ad violates one of their advertising policies; ads won't display until you resolve the issue.

- **Site-suspended**: In this case, the web site has been suspended. For your ads to show, you'll need to edit your site to meet Google's policies.

To check the status of your ads, navigate to the level of the account you are interested in and click the Ads tab. This will show all ads for that level of the account in the main table. Each ad's status shows in the Status column. For disapproved ads, view the reason for disapproval by cursoring over the call-out icon.

Another way to find disapproved ads, especially in large accounts, is to use the filtering functionality within AdWords. To filter for disapproved ads, again navigate to the level of the account for which you would like to discover disapproved ads. This could be at the campaign level, the ad group level, or the account level. Click Ads ➤ Filter ➤ Create filter, as shown in Figure 7-20, to get started.
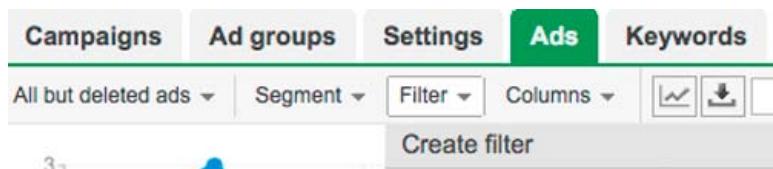
Figure 7-20. Navigating to create filter

The filter tool will pop up in yellow. Use the pull-down to browse the filter options, selecting Approval Status. Click Disapproved (Figure 7-21) and click Apply.

Figure 7-21. Selecting the Disapproved filter

The interface lists the disapproved ads in the table below the Filter panel. Again, to see the disapproval reason, click the call-out icon next to the ad. Edit the ad, addressing the reason for disapproval, and save the ad again. This will resubmit the ad to Google for review.

Test, Then Test Some More

No matter how great you think your ad is, the users will tell you what works and what doesn't by the way they interact (or don't) with your ad. Test results will often surprise you. The ad you were *sure* would be the winner many times isn't. The bottom line is that there's no magical formula for determining the best ad, other than user response. Always have at least two ads per ad group and keep the testing simple. Test a single variable for a few weeks, declare a winner, and move on to the next variable. For example, you might want to start with the headline. Run two ads with the same ad text and display URL but different headlines. Once you have your winning headline, create two new ads with the winning headline but alternative descriptions. Next, don't forget the display URL! Test ads using various extensions in the display URL, with and without the "www," or by adding a subdomain. Rinse and repeat. Keep the variables simple: it should always be clear which element generated the win.

Creating a Landing Page

So you've now painstakingly selected the perfect keywords and lured users in with your compelling ad text; this is your chance to convince your visitors to convert! You've done the hard part—you got them to your landing page. Now bring them home! One of the advantages of paid advertising is that you have control over where you take visitors and what you present to them.

Relevance

The most important quality of a good landing page is relevance. As discussed in the "Quality Score" section in Chapter 2, Google emphasizes the importance of relevance by making it a major factor in the quality score. It's also important to the searcher. You have only a few seconds to lure users in, so when they arrive at your site, make sure they feel welcome. Can they quickly tell whether your page is going to answer their question? Is the information on your landing page related to their search and the ad they clicked? If everything is well connected (i.e., relevant), they should feel they've found the right place and want to stay a little longer to look around. As we've emphasized before, a well-organized account should have tightly-themed ad groups: with focused groups of keywords, it's much easier to create focused, relevant landing pages. In addition, well-themed ad groups should direct to a single landing page.

Building Trust

It's also vitally important to establish trust quickly. Your visitors will want to know they can easily get to the solution they need. Landing pages should provide what the ad promises, what the user expects to see, and—more importantly—what the user wants. A high quality site also helps to build trust with your visitors. Speak to the keywords in the ad so it's abundantly clear they're on the right page. Use a clear heading that includes keywords to emphasize this point.

Other ways to build trust are through testimonials, especially from authority figures. As discussed with ad creation, during the ZMOT phase visitors are looking for reviews of products as they comparison shop. During FMOT, they're looking for reasons to buy from you.

What is Your Message?

The message you convey to your visitors is largely dependent on why they're searching and where they are in the buying process (Table 7-1).

Table 7-1. The Sales Process and Landing Page Creation

Sales Process	Users Intent	Sample Keywords	Landing Page Pointers
ZMOT Informational	searches	"best organic dog food" "what is a short sale"	Answer their question. Provide the visitor with information. Gain trust.
FMOT Transactional	searches, navigational searches	"Good Doggie canned dog food"	Send the searcher directly to the appropriate product page. Don't risk losing the conversion by making the visitor sort through your site for the product they want.

Be sure to answer the searcher's question on your landing page. For informational searches in the ZMOT phase, it's important to recognize what the searcher is looking for and make sure your page provides that information. Take, for example, the search "what is a short sale." Obviously, the searcher is looking for information. Although this search might not be as direct as "realtor in Glenwood Springs, Colorado," this searcher is potentially looking for options for buying real estate or trying to learn more about their options for selling real estate. If your page addresses their query with in-depth information, they're more likely to convert in some way, perhaps by signing up to follow your blog about the details of the short sale and foreclosure procedure. If they become a follower of your blog, you have more opportunity to relay information to them, and you increase the prospect of building enough trust for the user to engage in a future transaction.

Now let's consider the searcher in the FMOT phase who is ready to purchase. For example, let's say you are a tea company selling tea online, and a searcher has just clicked on your site after searching for "buy premium green tea." In this case, you would want to take the visitor directly to your page for your green tea product. Offering a promotion can address their question, which is "why would I buy from you?" Make your policies, shipping rates, and return procedure very clear to the searcher.

Think "Convert"

Once you've addressed what the visitor is looking for, the next step is to get them to do what you want them to: convert! Don't leave visitors wondering what to do next. It's your job to make the call to action abundantly clear. It's often helpful to reduce the navigation—or at least de-emphasize it—so visitors aren't confused or overwhelmed. Be selective in choosing what else you link to from your landing page. In addition, be conscious of the complexity of the path to conversion. Don't make your user jump through hoops or scroll around the page to complete a conversion. You are probably the person most familiar with your landing page, so do your best to look at it through the eyes of a first-time visitor.

Instant Preview

Google introduced its instant preview feature in 2011, allowing users to see a preview of the landing page before they click an ad. As of this writing, the feature is available for ads in top positions on the SERP, but not side positions. The latest version of the instant preview feature only requires a searcher to mouse-over any section of the ad. Figure 7-22 shows the double-arrow instant preview indicator to the right of the first top ad in the SERP for a search on "organic coffee," shown above the cursor arrow. A portion of the instant preview page is shown to the right of the cursor and indicator in the figure.

Instant preview can increase click-through rates. This could be an advantage for PPC marketers, since PPC marketing allows you to handpick your landing pages and fill them with information targeted to the search. This is even more reason to include keywords and images in your landing pages. Be sure to use the instant preview feature on your own ads to see what you page looks like in the preview.
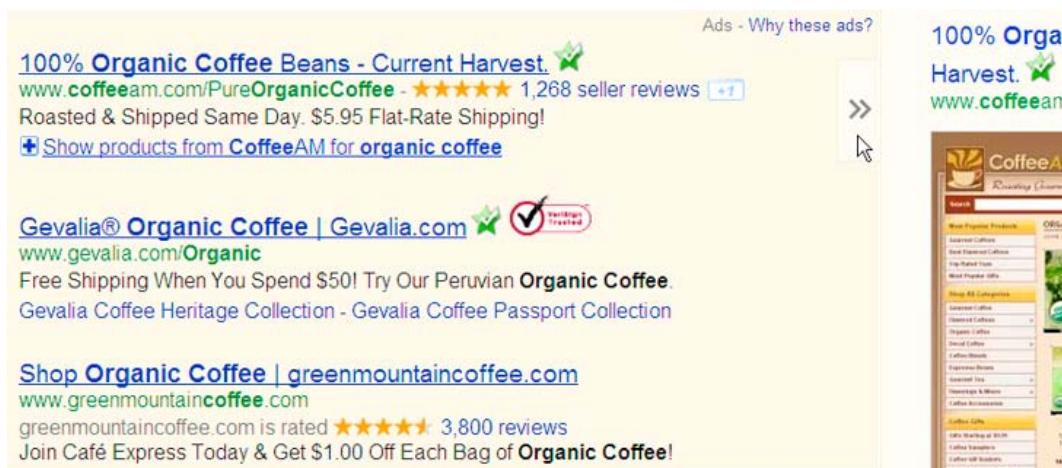
Figure 7-22. Instant preview indicator (above cursor) for a search on organic coffee

Testing Landing Pages

As with the other aspects of a campaign, it's important to use information generated through your visitors' actions to improve your results. Another very useful tool that Google provides for testing landing pages is the Google Website Optimizer (GWO). We discuss this tool more in Chapter 12. The GWO allows you to perform two kinds of tests: *multivariant* and what's called *A/B* or *split testing*. With A/B testing, only one element on the page is varied at a time. This element may be any part of the landing page critical to conversions. With multivariate testing, multiple elements within the conversion process are varied and are then combined to create multiple versions of the web site.

For a simple comparison of destination URL performance, there is a destination URL report within the AdWords interface (Figure 7-23). To access this report, go to the Dimensions tab in the main Adwords account table and click Destination URL. Use the destination URL report to compare conversion rates for various landing pages.

Figure 7-23. *Destination URL report*

For more in-depth information, there is also a destination URL report in Google Analytics (GA). To access this report in GA, bring up the profile you're interested in, click Advertising ➤ Destination URLs, as shown in Figure 7-24.

Figure 7-24. *Accessing the destination URL report in GA*

By default, the report will show the statistics illustrated in Figure 7-25.

Figure 7-25. *Default statistics displayed in the GA destination URLs report*

These are useful statistics when ascertaining the success of a landing page, as well as for the purpose of comparison. Performance can be viewed at the Campaign, Ad Group, or Keyword level. You can select to add a secondary dimension, such as keywords, to show URL/keyword pairs. Figure 7-26 shows the comparison of two pages within the same ad group. In this example, the first landing page has a much higher conversion rate.

	Destination URL	Ad Group	↑	Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate	Goal Completions
☐ 1.	http://www.rmiguides.com/mt-rainier/	Rainier		409	4.08	00:05:53	67.48%	27.63%	14
☐ 2.	http://www.rmiguides.com/rainier/	Rainier		1,119	3.71	00:04:32	60.23%	36.55%	1

Figure 7-26. Destination URL report in Google Analytics

Summary

There's no way around it – writing ads is hard. However, with practice and testing you will discover the best message to reach your customers and your goals. Practice with and test various techniques to make your ad stand out and draw visitors in. In this chapter we talked about some important ideas for writing ads:

- Include a call to action.
- Highlight features and/or benefits.
- Offer discounts.
- Create a sense of urgency.
- Answer the searcher's question.
- Pique the searcher's interest with a question.
- Gain trust through testimonials and official-looking ads.
- Write ads that reflect the user's query.

Google provides a number of site extension options. These site extensions are easy to set up and invariably give your ads an added boost. Currently, there are site extensions for location, click-to-call phone numbers, products, sitelinks, and Google +1 buttons. Product listing ads are another option for retailers that have a Google Merchant Center. As an option to performing searches for your keywords to see if your ads are displaying, the site preview tool shows how your ads will appear on Google.com. If they aren't showing, the tool will show you the reason.

Lastly, we talked about landing pages. A quality landing page is one that addresses the user's search query and their search intent. Use your landing pages to build trust quickly. Show your visitors you understand their needs with a clear, concise message. And don't lose sight of what you want them to do while on your site! Provide your visitors with a clear path to conversion.

Use the data in AdWords and Google Analytics to analyze the performance of your ads. The dimensions report within AdWords provides data at the destination URL level. Likewise, the destination URL report in Google Analytics provides on-site data based on your destination URL.

Now that you have mastered the Search Network, the next chapter provides a look at another option for finding customers through AdWords: the Google Display Network.

C H A P T E R   8

The Display Network

We first introduced the Google Display Network (GDN) in Chapter 1 when we outlined the Google Network. AdWords provides the ability to advertise on the Display Network, but ads on this network reach a different audience and the network's inner workings are very different from those of the Search Network. Because of these considerations, we have focused on the Search Network up to this point. This chapter covers the Display Network.

Understanding the Display Network

The Google Display Network is comprised of over a million content sites[1] – blogs, news sites, video, etc. The essential difference between the Search Network and the Display Network is that users on the Display Network aren't actively searching for your products. The Display Network offers a larger spectrum of ad formats including text, image, rich media, and video ads. Because Google has recently been putting more resources into this ad channel, there are a number of new targeting options and features.

When managed correctly, Display Network campaigns allow you to reach a much larger audience. They give you the ability to reach people much earlier in the sales process, those who aren't yet in the sales funnel. Combining this with campaigns that target visitors later in the sales cycle makes for a more powerful marketing effort.

Unlike Search Network campaigns, which are based entirely on keywords and search engine results, the Display Network campaign has several options for targeting your audience. Table 8-1 outlines the targeting options covered in this chapter. These options can be used separately or combined for more precise targeting.

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[1] Inside AdWords Blog, "Introducing the Display Network,"
http://adwords.blogspot.com/2010/06/introducing-google-display-network.html

Table 8-1. Options Available in the Display Network

Targeting Technique	Targeting Method	How it Works
Remarketing	Audiences	Visitors to your site are tagged with a cookie and shown your ads as they browse the Display Network. Site content is irrelevant.
Contextual targeting	Keywords	Ads are matched to the content of Display Network sites based on keyword themes.
Managed placements	Hand-picked sites	Ads are shown on sites that you manually select.
Topics	Select topics from a list	Ads are shown on sites that contain content that matches topics you select.
Interest categories	Past browsing behavior	Ads are shown to visitors based their past browsing interests. Site content is irrelevant.
Display Campaign Optimizer	Target CPA	Placements and bids are automatically optimized based on historical data to maximize for conversions.

When creating campaigns on the Display Network, it's essential to separate these campaigns from campaigns on the Search Network. This allows you to organize your accounts and manage settings separately—and to track results better. As shown in Figure 8-1, when creating a new display campaign you can start by selecting the default setting for the "Display Network only (text ads)", "Display Network only (display ad builder)", or "Display Network only (remarketing)".
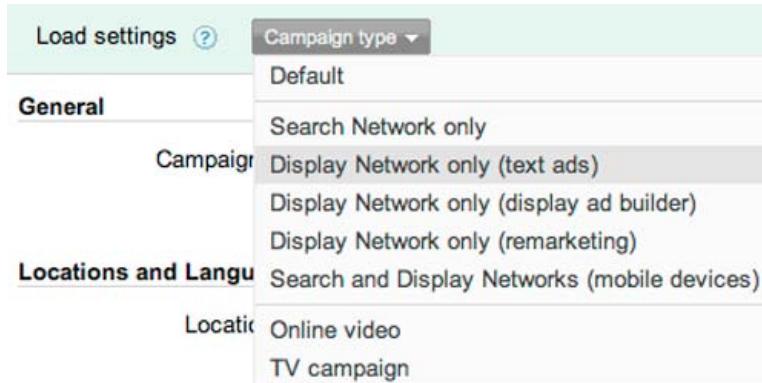
Figure 8-1. Creating a display-only campaign

The other option is selecting Default and then changing the network settings, as shown in Figure 8-2.
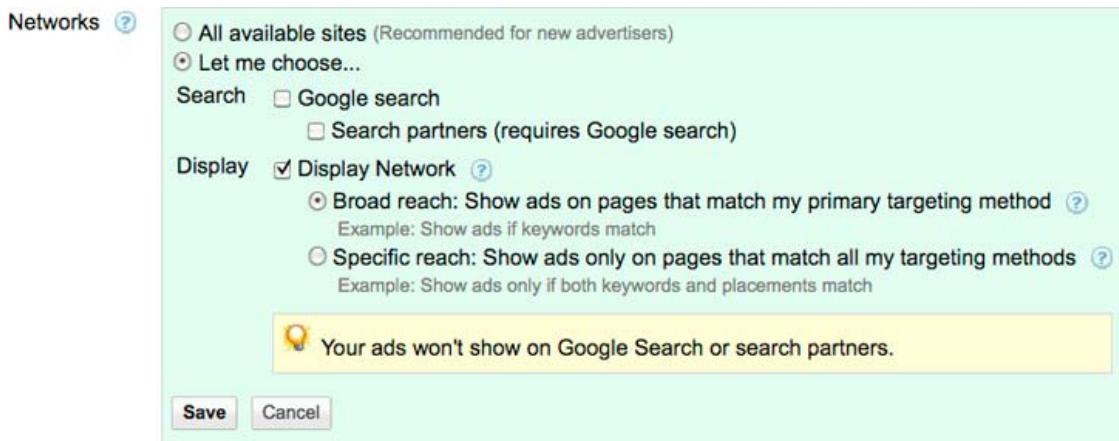
Figure 8-2. Network campaign settings

As mentioned, Google is continuing to expand the range of targeting options on the Display Network. Take advantage of the various targeting methods available and stay on top of news from Google regarding the latest updates. In addition to creating separate campaigns for the Display Network, each targeting method should have a separate campaign.

Targeting Your Audience

As the set of available targeting options increases, so does the potential audience. Let's start with what's generally the most successful: remarketing.

Remarketing

Remarketing allows you to target visitors that previously visited your website. As visitors browse your site's pages, Google tags them with a cookie. Later, as they browse other sites on the Display Network, Google presents your ads. Of the various targeting methods, remarketing tends to have the lowest cost-per-conversion and highest conversion rate. This is largely because you're targeting a well-qualified audience. However, the number of visitors to your site limits the reach of remarketing campaigns. In a sense, it's the low hanging fruit of the Display Network and results are closest to what you would see on the Search Network. If you're just dipping your toe in the Display Network pool, remarketing is a good place to start.

The How-To

Remarketing campaigns are organized using lists. In this context, a list is a subset of visitors to your site that you'd like to target. For example, a list could be visitors that abandoned their shopping cart or visitors that viewed a particular product page. Google generates a snippet of code for each list. These snippets are then placed on the corresponding page or pages of the site you're tracking for that list. This allows Google to assign a cookie value to each visitor to these pages. Google adds the cookie IDs to remarketing lists maintained within the AdWords system. Google claims that, on average, it can reach 84% of the visitors on a typical list[2].

The first step in setting up a remarketing effort is to create your list. To start a list, use the tree navigation frame on the left in the AdWords interface, as shown in Figure 8-3. Click Shared library ➤ Audiences.
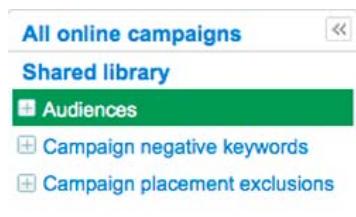
Figure 8-3. *Accessing Audiences via the tree navigation*

Once on the Audiences page, go to New audience ➤ Remarketing list (Figure 8-4).

Figure 8-4. *Starting a new audience*

The next step is to define your audience (Figure 8-5).

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[2] Google Inside AdWords Blog, "Year in review: Remarketing delivers better ads, better performance," http://adwords.blogspot.com/2011/05/year-in-review-remarketing-delivers.html

Shared library >
Audiences

Important

Please review the Remarketing program policy to learn more about what you need to include in your site's privacy policy, and which sensitive categories of sites cannot use this feature.

New remarketing list

Remarketing list name	Rentals
Description *Optional*	Viewed rental properties.
Membership duration ⑦	30 days
Tags ⑦	⦿ Create new remarketing tag

💡 Add the remarketing code to all your pages visited by users whom you'd like to add to this list. To access the code, click the link in the **Tags / Rules** column below.

○ Select from existing tags

[Save] [Cancel]

Figure 8-5. Creating a new remarketing list

Name your remarketing list and set the list membership duration. This is the amount of time a user's cookie stays on the list; the default setting is 30 days. If the user comes back to your site, AdWords resets the cookie for another membership duration period. Aligning your membership duration with the length of your sales cycle helps to reach potential customers in the consideration phase. The maximum membership duration is 540 days. Click the Save button and your new remarketing list will be displayed in the table (Figure 8-6). Notice that there are no users in the list. This number will grow once the tag is on your page or pages and effectively tagging users. Your remarketing ads will start displaying when this number reaches 100.

New audience ▾	Search by list name		Search			
Type	**Name**	**Description**	**Open / Closed** ⑦	**Membership duration** ⑦	**Tags / Rules** ⑦	**Number of users** ⑦
Remarketing	Rentals	Viewed rental properties.	Open	30 days	Rentals [Tag]	--

Figure 8-6. Newly created audience

Repeat this process for all the audiences you'd like to tag. The custom combination feature allows you to track more complex behavior. For example, if you want to track visitors that started a shopping cart but didn't convert, you need to create two lists. The first tags visitors that created a shopping cart and the second tags visitors that converted. A custom list is created with Boolean strings. To complete this example, take the list of visitors that created a shopping cart and exclude visitors that converted. The segment left is visitors that didn't convert.

To obtain your tagging code snippet, click the name of your list and the generated code will be displayed in new window. Copy and paste this code into the HTML for the web page before the closing </body> tag near the top of the page you'd like to track. For further information on installing code and for help with complex web sites, follow the information provided via the Insertion Tips.

The next step is to create a campaign and associate the campaign with your newly created audience. Obviously, the campaign must be set to target the Display Network (Figure 8-2). The easiest way to do this is select the default option for Display Network only (remarketing) (see Figure 8-1). Choose the bidding method that matches your goals (Figure 8-7). Because you're reaching a well-qualified audience, you should bid higher than other forms of targeting on the Display Network.

Figure 8-7. Bidding options

Next, create your first ad group. Because ads are associated with ad groups, name your ad groups to match the offer, theme, or the products represented by your ads, such as "Free Shipping" or "Ross Reels." You will be prompted to associate your previously created audiences with your ad group (Figure 8-8). You will also have the option of adding Topics, Keywords or Placements to further specify your audience. Click on Save and Continue.

Figure 8-8. Associating an audience with an Ad Group

Lastly, you will be prompted to create you ads. You can create text ads, image ads, video ads or use the Display ad builder. Alternatively, you can skip ad creation and create your ads later.

Here are some ideas for creating remarketing lists:

- Everyone who visits your site (highest volume but less information to base your ads on).

- Visitors that don't convert.

- Visitors that started a shopping cart and then abandoned it. Use remarketing to offer an incentive to return and complete the sale.

- Customers (cross-sell, up-sell, or promote related products).

- Sign-ups—these are well-qualified visitors, as they have already shown interest in your brand and offerings.

- Those who have shown interest in certain products. You have the benefit of knowing what products they're interested in, allowing you to customize your creative for each product.

Use remarketing as an opportunity to advertise promotions. Turn on new campaigns to coincide with specials or new deals. Build lists of visitors and treat these lists like you would an e-mail marketing list. As with most components in paid advertising, test, test, test. Try various combinations to find your niche.

Before starting a complex retargeting campaign, it's good to consider the volume of visitors you will be tagging. Start with a simple campaign, like targeting all past visitors to your site. Users are added to a list as soon as they leave your site, which means they can be served an ad the next time they reach a site on the Display Network. In many cases, you will see the best results shortly after users have left your site. If you're seeing positive results, continue to tag visitors until you find it's no longer profitable.

Once your ads are running and you have data to review, use this opportunity to take greater control of where your ads will show. Check out the data in the Networks tab and exclude sites that are bad performers or eliminate categories that don't mesh well with your brand.

If you are worried about over-exposure, use the Frequency Capping option within the advanced setting in the campaign setting to limit the number of times a visitor sees your ad in a given period. We discuss this setting in more detail at the end of this chapter.

Contextual Targeting

With contextual targeting, also called *automatic placements*, Google uses a contextual algorithm to evaluate the keywords in an ad group and make placements based on the overall theme of the keyword group. Unlike the Search Network, it's okay to be general with your keywords. The algorithm works at the page level, not the site level, to place your ads as precisely as possible. The recommended number of keywords is around 20, and you should not go over 50 keywords. Keywords should be tightly themed and you can use multiple ad groups to reach multiple themes with varying ad content. As with search campaigns, you should use negative keywords to further refine your theme. Other than negatives, however, match types don't matter.

The Contextual Targeting Tool

Google provides a Contextual Targeting Tool accessible directly from the AdWords interface. To access the tool, go to Adwords ➤ Tools and Analysis ➤ Contextual Targeting Tool (Figure 8-9).
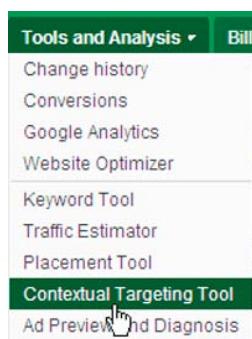
Figure 8-9. *Accessing the Contextual Targeting Tool*

To use the tool, enter the keywords for your contextual campaign in the box at the top of the page (Figure 8-10). Google generates a list of suggested ad groups, including the suggested ad group name, keywords, and suggested bid. You can expand each ad group to see additional ad group ideas.

Figure 8-10. *The Contextual Targeting Tool*

To see a list of predicted sites (Figure 8-11), click the ☺ symbol within the ad group line. The result is like a sneak peek into your future Automatic Placements report.

Organic Dog Food

[Bid suggestion $0.90] ⑦

Predicted Placements ⑦	🔼 Expand all
⊞ catfoodreviews.com	
⊞ cats.about.com	
⊞ completedogfood.net	
⊞ dogfoodanalysis.com	
⊞ dogs.about.com	
⊞ mojosavings.com	
⊞ pedigreecoupon.com	
⊞ petcareeducation.com	
⊞ petfoodtalk.com	
⊞ recipes4gourmetdogs.com	

Figure 8-11. Predicted Placements report

Select the ad groups that you feel are a good match for your campaigns and edit the keywords as needed. From there you can add the ad groups directly to your AdWords account or export to the AdWords Editor. The AdWords Editor export feature provides an opportunity to view the data in a spreadsheet, make your edits, and then import back into the AdWords Editor. Note that the suggested bids are included as well, so be certain to change these as needed.

Managed Placements

With managed placements, you handpick the sites on which you'd like your ads to run. Look for sites with the sort of typical visitor profile that you would like to target.

Managed placement campaigns don't require keywords, since your ads will only run on sites you select. However, you can use keywords with managed placement to better match your ads to pages within a selected site. When you use both keywords and selected placements, you can tell Google how you'd prefer to match your ads (Figure 8-12).
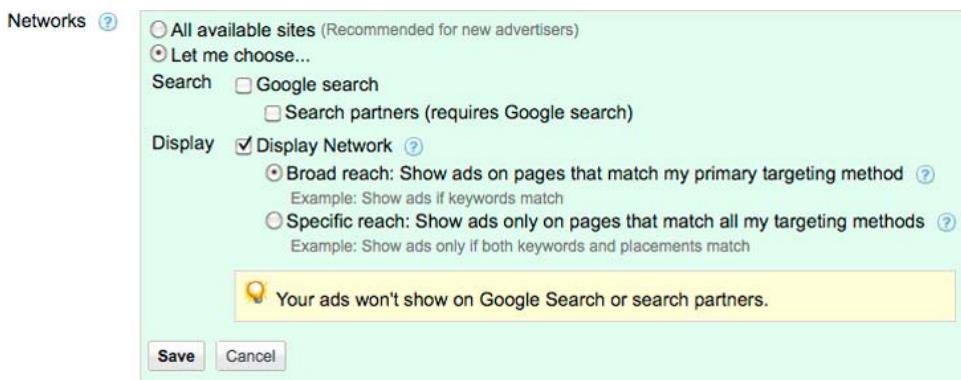
Figure 8-12. *Display Network options*

If you choose Broad reach, your ads will show when either the keyword or the placement is a match. If both are a match, the bid from the placement is used because it's more specific.

If you choose Specific reach, your ads will only show if your keywords match the theme of the placement you selected. Again, the placement bid is used.

It's often good practice to run both a managed placements campaign and a contextual targeting campaign. The contextual targeting campaign allows you to cast a wider net and find those sites that are profitable for your business. You can then add these sites to the managed placements campaign and exclude them from the contextual campaign. This gives you more control over the bids on better performing sites. As an alternative to excluding a site, you can add it to managed placements and set the bids lower.

The Placement Tool

The Placement Tool can be used to find sites and pages across the Display Network that are matches for your site. There are two places within AdWords to access the Placement Tool. The first is via the Tools and Analysis menu in the main navigation tabs, as shown in Figure 8-13.
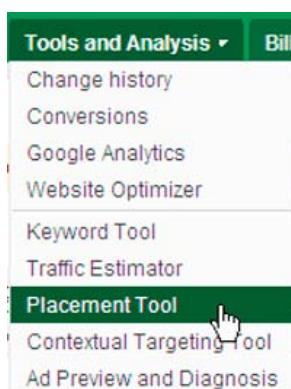
Figure 8-13. *Accessing the Placement Tool from the Tool and Analysis menu*

The second option is through the Networks tab: look under Display Network ➤ Managed placements ➤ show details (Figure 8-14).

Display Network

   ▇ Managed placements ⑦ show details

Figure 8-14. Accessing the Placement Tool from the Networks tab

From here click +Add placements ➤ Try the Placement Tool. Once the tool launches, search for placements by entering words or phrases to match your site. You can also start your search by entering the URL of your web site. To refine the results, use words or phrases from your web site. Clicking Search generates a results table. To filter your results, you can select from the options shown in Figure 8-15.

⊟ Advanced Options and Filters

Locations and languages ⑦	All Countries / United States / United Kingdom / Japan / Germany / Brazil	All Languages / English / Japanese / German / Portuguese / Arabic

Show Ideas and Statistics for ⑦	All devices ▾

Filter ideas ⑦

Included Ad Sizes ▾	☐ 336x280 ☐ 300x600 ☐ 250x250 ☐ 728x90 ☐ 480x70 ☐ 160x600 ☐ 425x600 ☐ 120x600 ☐ 450x50 ☐ 320x50 ☐ 300x1050 ☐ 468x60 ☐ 200x200 ☐ 300x50 ☐ 300x250
Included Ad Types ▾	☐ Text ☐ Display ☐ Audio ☐ Instream
Age Demographic ▾	☐ 0 - 17 ☐ 18 - 24 ☐ 25 - 34 ☐ 35 - 44 ☐ 45 - 54 ☐ 55 - 64 ☐ 65+
Gender Demographic ▾	○ Male ○ Female
Household Education ▾	☐ Less than High School ☐ High School ☐ Some College or Associates Degree ☐ Bachelor's Degree ☐ Graduate Degree
Household Income ▾	☐ $0.00 - $14,999.99 ☐ $15,000.00 - $24,999.99 ☐ $25,000.00 - $39,999.99 ☐ $40,000.00 - $59,999.99 ☐ $60,000.00 - $74,999.99 ☐ $75,000.00 - $99,999.99 ☐ $100,000.00+

Figure 8-15. Advanced filtering option in the Placement Tool

Note the options for finding sites based on demographic data (age, gender, education, and income). Use these selections (you can use up to three at once) as another means of more focused targeting of your audience.

In addition to filtering on the criteria shown in Figure 8-15, you can use Categories and Placement types to further refine your results. These options are found on the left of the screen. Figure 8-16 shows an example results table.

	Placement	Placement Type	Ad Types	Impressions Per Day
☐ ☆	babydow.com »	🔍 Site	📄 🖼	100,000 - 500,000
☐ ☆	143kids.com »	🔍 Site	📄	0 - 10,000
☐ ☆	cheapkidsclothes.com »	🔍 Site	📄 🖼	0 - 10,000

Figure 8-16. Placement Tool results

To select placements, you can check the box next to placements you'd like to add to your ad group and then click +Add placement. The star functionality allows you to create an on-going list of placements that is maintained through new searches (just like the Keyword Tool discussed in Chapter 6). AdWords maintains the list of starred placements between sessions and shows this list in the bottom right corner of the results table. You can download selected results or starred results, or perform a bulk download.

DoubleClick Ad Planner

Another tool for researching potential placements is the DoubleClick Ad Planner, which is a research and media planning tool that provides insights into demographic profiles of web sites. You can use this data to determine what web sites your potential audience is likely to visit. DoubleClick data is available directly in the Placement Tool. To see data on a site, simply click the magnifying glass next to the web site you'd like to research. You should see the following data:

- Traffic statistics (Take a close look at Unique Visitors, Page Views, and Total Views.)
- Daily unique visitors
- Age
- Education
- Gender
- Household income
- Sites also visited (Hint: This is a great place to look for other sites to target.)
- Audience interest

In addition to accessing the DoubleClick data in the Placement Tool, you can access the tool externally at www.google.com/adplanner. As you do your research in DoubleClick, your results are saved as a media plan, which stores the lists of web sites where you'd like to advertise and aggregates results for all the web sites in the media plan. For more information on DoubleClick Ad Planner, access the help center from inside the tool.

Topic Targeting

With topic targeting, AdWords matches your ads to sites within the Display Network based on the topic categories you select. Usually this method of targeting reaches the largest audience, but it also tends to convert at a lower rate. There's no need to select placements or keywords, although you can use keywords and placements to refine where your ads will show. The list of possible topics consists of 1,750 topics and sub-topics. Target topics closely related to your business. It's best to start with low bids and monitor results to see that the placements you're seeing make sense. Although the list of topics is large, the categories are still broad.

The How-To

To start a campaign with topic targeting, create a new campaign set to target the Display Network. To configure your topics, you need to access the Topics tab. By default, this tab is not displayed, but you can add it by clicking on the pull-down at the end of the tabs and then clicking on the box next to Topics (Figure 8-17).
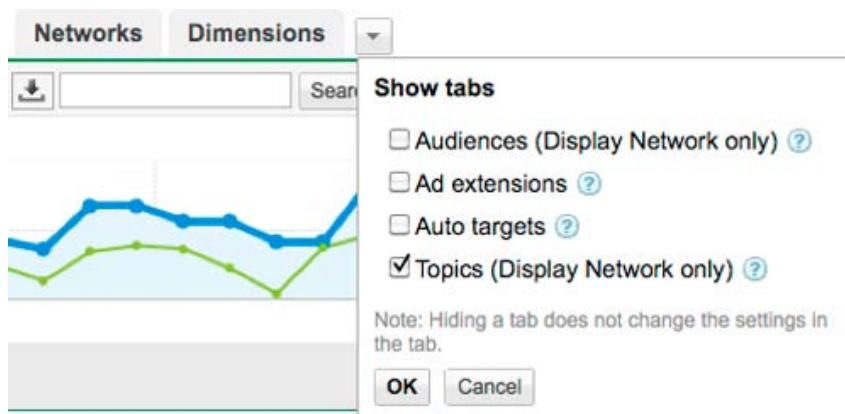
Figure 8-17. Adding a Topics tab

Click + Add topics and the list of available topics will appear (Figure 8-18). Expand the topics indicated with a + to see additional sub-topics.
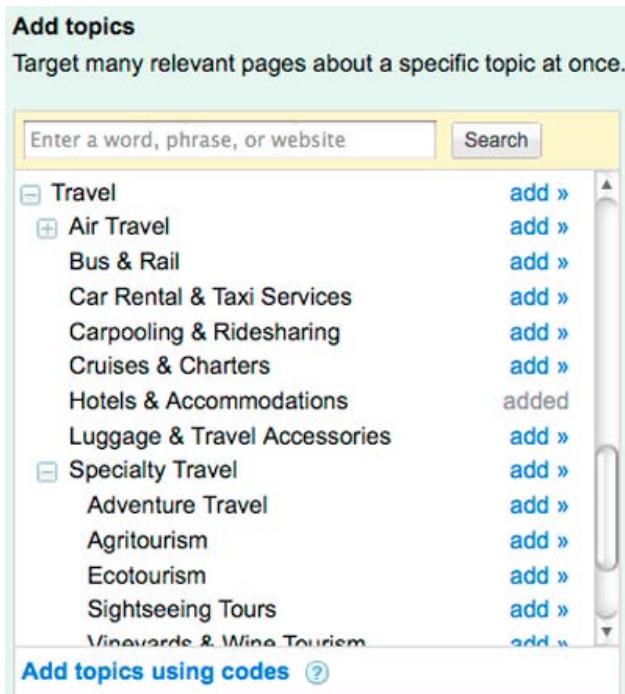
Figure 8-18. *Topic options*

Selecting a top-level topic includes all the sub-topics by default or you can handpick the sub-topics. However, selecting all the sub-topics isn't the same as selecting the top-level topic, since there can be sites that fall under the higher-level topic that aren't included in any of the sub-topics.

In addition to adding topics, you can also exclude topics. For example, if you select Food & Drink as a topic, you can exclude Restaurants. This works in a fashion similar to negative keywords. The Exclusions option is located at the bottom of the page within the Topics tab (Figure 8-19). Exclusions can be set at the campaign or the ad group level.

Figure 8-19. Exclusion options

As mentioned at the start of this section, topic targeting alone reaches a broad audience. Consider using topic targeting in conjunction with other forms of targeting to better hone in on your audience.

- **Placements + Topics**: Find your niche within large sites. For example, you could target content related to travel within the New York Times web site. Additionally, you can exclude topics you know to be irrelevant to your business.

- **Audiences (Remarketing or Placement selections based on demographics) + Topics**: Limit the views of your ad (think reducing ad fatigue) by only showing your ads when previous visitors to your site are on sites with related topics.

- **Keywords + Topics**: Refine the reach of your keywords by adding topics to contextually targeted campaigns. Using keywords in conjunction with topics takes away the emphasis from particular keywords. Instead, Google treats the keywords as a theme. Do some of your keywords have multiple meanings? Highlight the correct meaning of your keywords by only displaying ads on sites with related topics.

When using the previously mentioned combinations, make sure that your network settings are set to "Specific reach: Show ads only on pages that match all my targeting options" (see Figure 8-12.)

Interest Categories (Behavioral)

Another option for targeting involves the use of interest categories. This is also known as *behavioral marketing*. Google assigns interest categories to users based on the sites they visit as they browse the Display Network. You can then advertise to users with interests that match your business. Say, for example, that your business sells kitchenware. In a contextual campaign, your ads would shows on sites with content focusing on cooking. By setting up interest categories, your ad would show after the visitor has left the cooking-related sites and started browsing a new topic. Interest categories let you reach a cooking enthusiast on a wider range of sites. The sites your ads run on may or may not match your business, but your ads will follow users with the selected interests. This is in contrast to topic targeting, where the site displaying your ad matches your business.

Users can see the data that Google has compiled about them at www.google.com/ads/preferences. It's interesting to check out what Google has for your interest profile. We found our profiles to be surprisingly accurate. While you're checking out what Google thinks about your interests, you can also opt out of interest-based targeting, manually remove categories not of interest, or add categories you feel should be included.

The How-To

To start a campaign based on user interests, create a new campaign strictly for this purpose. Create an ad group and associated ads. Next, select interests by navigating to the Audiences tab. (Again, the Audiences tab isn't shown by default.) Click +Add audiences. You will see the list of interest categories as well as the estimated number of global users in each category, as shown in Figure 8-20.

Figure 8-20. Targeting based on user interests

Click the + plus sign to expand a category to show its sub-categories. When getting started, it's best to target interest groups closely related to your products. Use the data generated by this first campaign to make decisions on additional sub-categories and/or additional interest categories. Consider using keywords in conjunction with interest categories to specialize your traffic further. You can easily combine interest categories with remarketing lists by using custom combinations. For example, you could combine a remarketing list that only includes visitors to your site that did not purchase with an interest category. This allows you to save your interest-based impressions for visitors that have not already made a purchase. Use the Custom combinations tab (upper right of Figure 8-20) to combine both interest categories and remarketing lists.

The Display Conversion Optimizer

The Display Conversion Optimizer (DCO) uses historical data to adjust bids to meet a target CPA. You provide the CPA goal and your daily budget, and the DCO starts by targeting sites that are contextually relevant based on signals from your web site. Use results from the first round of targeting to find additional sites to target, focusing on finding more conversions by automatically optimizing targeting and bidding options. As of this writing, the DCO is only available to a select group of advertisers. If you have a campaign that's eligible, you will see a link for "Automatic campaign optimization" within the Settings tab. Current requirements include 15 conversions per month with target CPA bidding enabled.

Targeting Options Summary

With all of the available options and combinations we've discussed up to now, we can certainly understand if your head is spinning. Years ago, setting up a Display Network campaign was an arcane art: click Save and cross your fingers. With the array of new options, many AdWords advertisers have a renewed interest in the Display Network. Taking the time to understand the various options on the Display Network will greatly increase your ability to reach customers while they browse the web. Refer back to Table 8-1 as you need to for a summary of the various marketing approaches available on the Display Network.

Bidding Options

We covered bidding options in Chapter 2, but let's review them here. The bidding options on the Display Network include

- **Cost-per-click (CPC):** This is the best choice when controlling spending is a high priority, as you have more control over what you're spending per visit. CPC bidding is also helpful when you want to evaluate your cost per conversion at the ad group or placement level. Other circumstances for using CPC bidding are when running text ads or when your ads first start appearing on the Display Network. CPC bids can be set at the keyword, placement, or ad group level. You can also use automatic CPC bidding, which allows you to set a daily budget; Google sets the bid amount in an attempt to get to the most bids possible.

- **Cost-per-mille (CPM)**: This is the better choice when looking for exposure and to increase brand awareness. You are charged each time your ad is displayed, regardless of whether the user clicks it. With CPM bidding, you set a maximum CPM bid. Note that CPC and CPM ads will compete with each other in the same auction. In this case, AdWords calculates an effective CPM (eCPM) for CPC ads. The bid, the click-through rate, and other ranking factors are considered across 1,000 impressions.[3]

- **Cost-per-acquisition (CPA)**: CPA bidding is used in conjunction with the Conversion Optimizer. You set the amount you're willing to spend per conversion and Google manages the bid amount.

- **Enhanced CPC**: Enhanced CPC adjusts the max CPC based on the likelihood that your ad will convert in the current auction. In contrast to the Conversion Optimizer, Enhanced CPC bidding doesn't have conversion volume requirements and allows you to set maximum CPC versus maximum CPA. However, because Google isn't basing results on CPA, but only on historical conversion data, it's possible that you will see an increase in CPA. Google runs a split test with two groups: a control group (not managed by Enhanced CPC) and an experiment group. If positive results are seen, the size of the experiment group is increased[4]. Overall, Enhanced CPC seems to work best on campaigns with a strong and consistent conversion history.

Display Ad Creative

Because most display campaigns target a different audience from search campaigns (i.e., users not actively searching for your products), you should design your ads with this in mind. Users on the Display Network aren't necessarily part of the buying funnel, with the exception of those included in some remarketing campaigns. When targeting a passive audience, you need a stronger call to action. Give users a reason to act quickly and take action sooner. Without a compelling reason to act quickly, they're likely to continue browsing without taking action. Image ads have the advantage of including buttons that clearly state a call to action. Research the sites where your ads are showing, see what the competition is doing, and make an effort to stand out.

Carefully consider the targeting method when determining the focus of your ads. Contextual targeting, managed placements, and topics campaigns are matching on keywords or placements that match your business and products. If you've selected the right placements, you will be able to make a connection between the content of the display site and your business and products. The more relevant your ad to the content of a site, the more likely you will see higher click-through rates. With interest-based targeting, you want to make the connection between your products/business and the interest category. Remarketing campaigns give you the advantage of understanding your audience. For example, if you're targeting an audience that viewed a particular product, use that information to make your ad

[3] Adwords Help, "How do CPC and CPM ads compete with each other?,"
http://support.google.com/adwords/bin/answer.py?hl=en&answer=113233

[4] "Google AdWords Enhanced CPC vs. Conversion Optimizer" – Search Engine Watch, August 20, 2010: http://searchenginewatch.com/article/2064650/Google-AdWords-Enhanced-CPC-vs.-Conversion-Optimizer

relevant. The lure of a special offer may persuade users who've abandoned a shopping cart to return to your site. When remarketing, use ads that match the look and feel of your web site to increase a viewer's recall of your site. To reduce ad fatigue, be certain to rotate your ads.

A good rule of thumb is to create separate ad groups for image ads and text ads. The performance of these ad groups will usually differ, enabling you to make better decisions on placements and bids.

Ad Types

Advertisers on the Display Network can choose from a variety of ad options, including text, image, rich media, and video. We recommend trying a variety of ad types to see what works best for your message. The following list provides a quick overview of the primary ad categories that appear on the Display Network:

- **Text ads**: Text ads on the Display Network follow a similar ad format to text ads on the Search Network, discussed in Chapter 7. Figure 8-21 shows an example of two text ads (designated by the arrows on the right). Text ads can also appear in videos and feeds within the Display Network (Figure 8-22). In general, using text ads on the Display Network isn't recommended, since they're not nearly as eye-catching as other ad formats in this context. However, around 25% of the sites within the GDN only accept text ads, so you can't always avoid this option.

Figure 8-21. Sample text ads on the Display Network

Figure 8-22. *Text ad embedded in video*

- **Image ads**: These ads consist of an image and text, can be static or animated, and may include basic interactivity. Image ads must also meet Google's ad standards. You can create images to meet the ad specifications or you can create ads via the Display Ad Builder, as we will discuss shortly. In most cases, image ads see higher click-through rates than text ads, but overall click-through rate on the Display Network is lower than on the Search Network. Figure 8-23 shows an example image ad and Table 8-2 shows the sizes and specs for image ads. In general, 728 x 90 and 300 x 250 pixels are the most common image ad sizes. If you are looking to start small, creating ads for these sizes would reach the largest audience.

Figure 8-23. *Sample image ad on the Display Network*

Table 8-2. Techical Requirements for Image Ads (Sizes are in Pixels)

Formats	.gif, animated .gif, .jpg, .swf, .png, and Flash
Image Ad sizes (IAB standards)	Banner: 468 x 60 Square: 250 x 250 Small square: 200 x 200 Leaderboard: 728 x 09 Medium rectangle: 300 x 250 Large rectangle: 336 x 280 Skyscaper: 120 x 600 Wide skyscraper: 160 x 600
Expandable Ad sizes	120 x 600 468 x 60 728 x 90 300 x 250 160 x 600 336 x 280
File Size	No larger than 50k

- **Expandable ads**: This category includes flash-animated ads that are interactive and expand when clicked.

- **Product Ads**: As with the Search Network, you can use a data feed from your Merchant Center to generate product-specific ads on the Display Network. The Contextual Dynamic Creative (CDC) Template (currently in beta), which is part of the Display Ad Builder, is a tool for creating ads for products from a Google Merchant Center feed. Prior to the creation of this tool, each product being advertised required a separate ad. If you want to advertise products from your Merchant Center on the Display Network, chances are good that this tool will become more widely available.

■ **Note** Promote your site with Google +1 by opting to include the +1 button on your Display ads. Access this feature from Campaign settings ➤ Advanced settings ➤ Social settings.

AdWords for Video

As of this writing, AdWords for video is still in beta after Google completely overhauled how video ad campaigns are created and managed within AdWords. Under this new approach, you upload your videos to your YouTube channel and then link your AdWords account to your YouTube account. Overall, the new process is simpler: once your videos are uploaded to YouTube, it only takes a few quick steps to integrate those videos into a display ad. Ads can contain both video and text. You can choose to target

your ads strictly to YouTube or both YouTube and the Display Network. If you choose the latter, you can select from the various targeting options for the Display Network just discussed.

Bids are set through a cost-per-view (CPV) model. The new ad formats are called "TrueView." This is meant to highlight that the advertisers only pay when the ad is viewed; charges are not accrued from impressions. The definition of a "view" varies depending on the type of ad. Ad types are listed below:

- **TrueView in-stream ads**: Ads play within YouTube videos or videos on the Display Network. Your ad can appear before, in the middle of, or after the video. Viewers have the option to skip the ad after 5 seconds of play. You are charged if the viewer watches the entire ad or for 30 seconds, whichever occurs first.

- **TrueView in-search ads (formerly YouTube Promoted Videos)**: Ads are displayed above the search results on YouTube. This format allows you to promote YouTube videos. Google selects ads to display by matching the search query to the content of the video you are promoting in the ad. You are charged when your ad is watched.

- **TrueView in-slate ads**: These ads are run in conjunction with "longform" videos on YouTube or the Display Network, which are videos longer than 10 minutes. Viewers have the option of selecting one of three ads to watch before viewing the video or of watching commercial breaks during the play of the video. If your ad is selected, you are charged and your video is presented to the viewer.

- **TrueView in-display ads (formerly Click to Play)**: Videos are promoted across the Display Network or on YouTube as display ad units. These ads are what you would typically think of if you wanted to use video as your format on the Display Network. You are charged when a users chooses to watch your video.

The How-To

To start a video campaign, go to Campaigns ➤ +New campaign ➤ Online video, as shown in Figure 8-24.
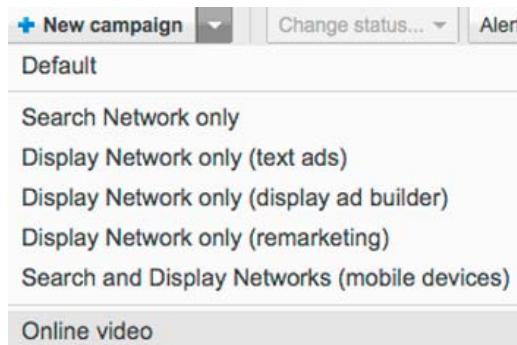
Figure 8-24. Starting a new video campaign

The next screen walks you through the selection of your campaign settings. The process and the options are similar to selecting settings for typical campaigns. First, name your campaign, set a budget, and select your locations and languages (Figure 8-25).
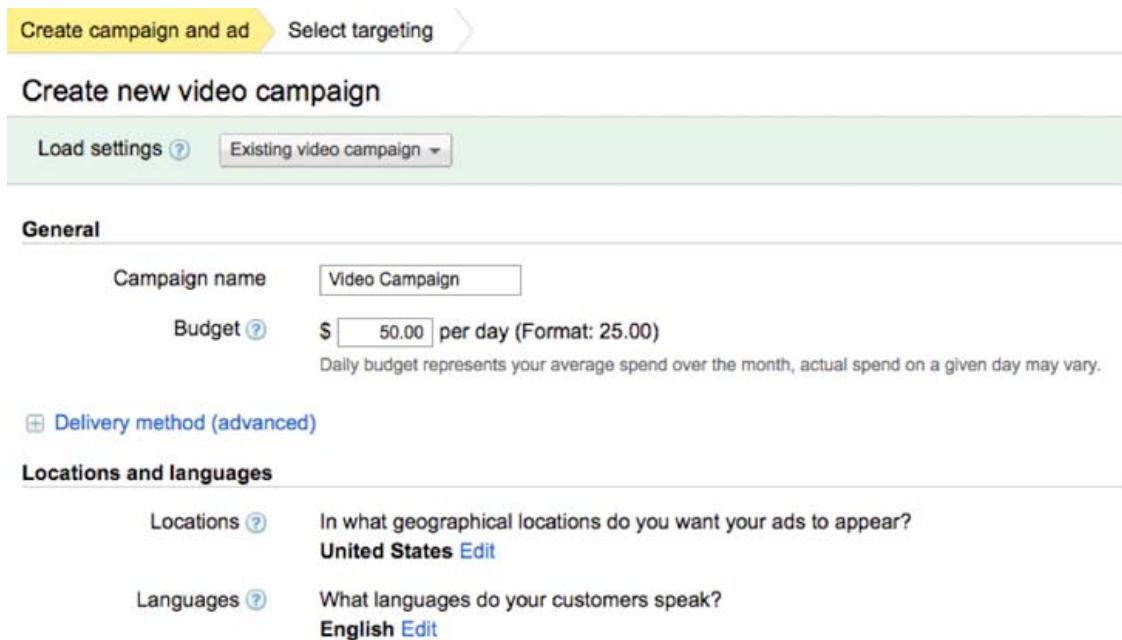
Figure 8-25. *Campaign settings in a new video campaign*

Next, to create your ad, click the Select video button, as shown in Figure 8-26.
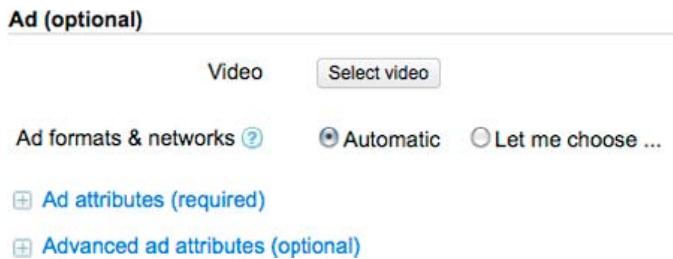
Figure 8-26. *Selecting the video*

The resulting pop-up prompts you to link your YouTube channel to your campaign and the videos in your channel will be displayed (Figure 8-27). You can also select videos by entering the YouTube URL of the video (top left in the figure).

Figure 8-27. Selecting a video from your YouTube channel

After selecting your video, create the actual ad (Figure 8-28).

Figure 8-28. Creating a video ad

Choose the format and network. The Automatic option shows your ad on all available networks. Selecting "Let me choose" lets you mix and match the formats and networks of interest (the various formats were outlined at the start of this section). Figure 8-29 shows the options for networks and the corresponding formats.
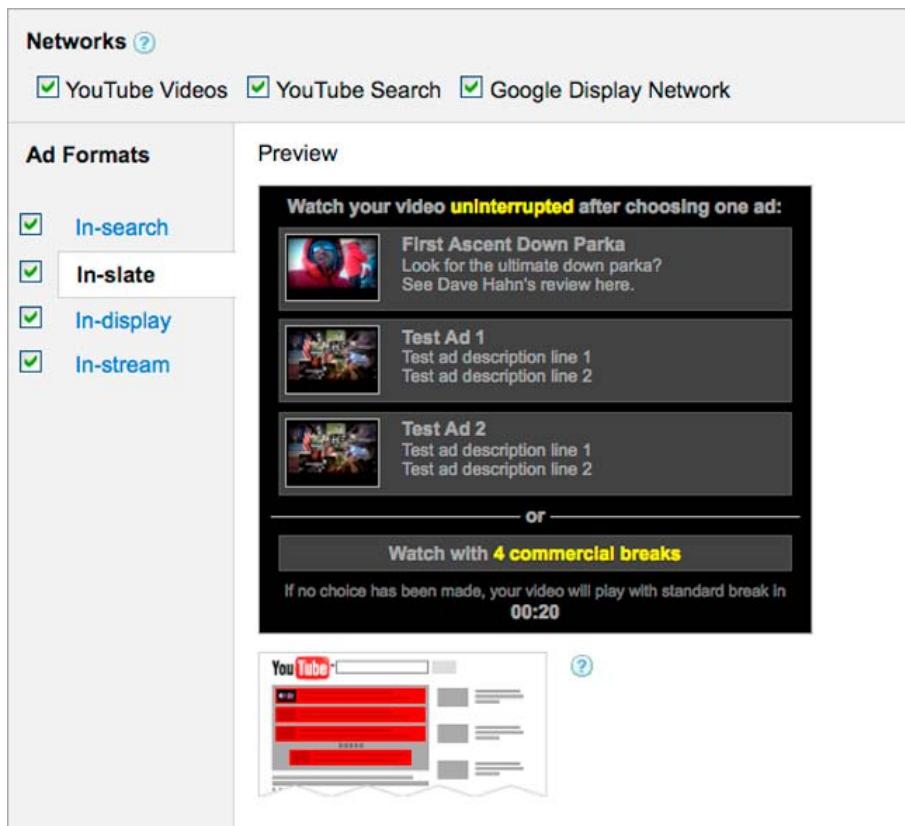
Figure 8-29. Selecting networks and ad formats

The following list gives a brief description for the network options:

- **YouTube Videos**: In-display, in-stream, and/or in-slate videos. Videos on YouTube Watch and channel pages. (A YouTube Watch page is simply the page where the video is viewed.)

- **Google Display Network**: In-display, in-stream, and/or in-slate videos. Ads appear on the GDN or YouTube.

- **YouTube Search**: In-search videos. YouTube search results and Google video search.

If you're setting up your first video campaign, we recommend selecting automatic (Figure 8-28, under "Ad formats & networks"). The AdWords for video interface provides a wealth of data to help you further refine your sections as your campaign matures.

The Advanced ad attributes contain some additional options, depending on your selected ad formats (Figure 8-30).
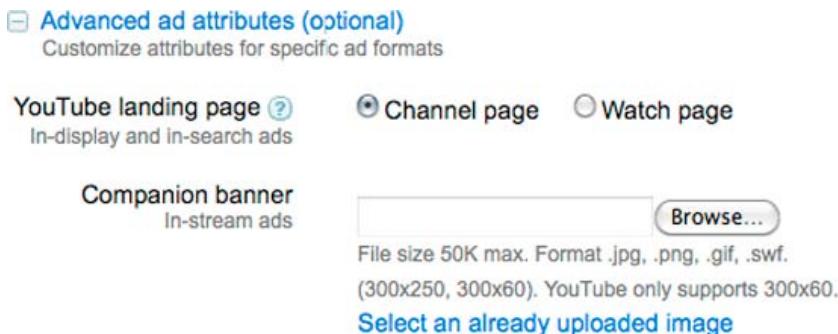
Figure 8-30. Setting advanced ad attributes

In-search and in-display ads can take viewers to your YouTube Watch page or your YouTube channel. Click "Save and continue."

The next screen walks you through your targeting options. Targeting is configured through the use of targeting groups. Set your bids by targeting group. The maximum CPV entered is similar to your ad group default bid. You can set one bid for all ad formats, or you can set a separate bid for each ad format (Figure 8-31).

Figure 8-31. Setting bids for video campaigns

If you leave the "Custom bid per format" box unchecked, move the Views/Engagement slider-bar to set the bidding to emphasize views over engagement or vice versa. This will adjust the bid amounts among the four formats to emphasize or de-emphasize views vs. engagement according to your setting.

Next, select your targeting options for this target group. Here are the options for targeting:

- **YouTube search**: This option is analogous to running text ads on Google.com. You select keywords that match the theme of your video. Visitors searching in YouTube will see your ad above the YouTube results when their search matches your keywords.

- **YouTube Videos + Google Display Network**: Figure 8-32 shows the list of targeting options.
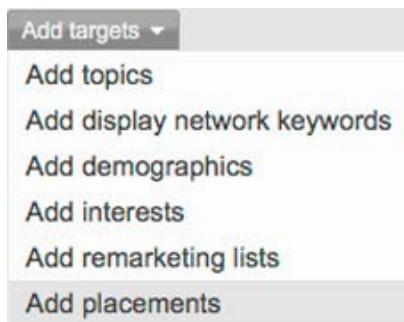
Figure 8-32. Targeting options for video campaigns

As you can see, these are the same targeting methods we just reviewed.

- **Topics**: As with regular display campaigns, topic targeting allows you to choose a group of placements based on the topic of these sites.

- **Display Network keywords**: Much like contextual targeting in display campaigns, your video is matched to sites based on keyword themes.

- **Demographics**: Do you want to target a specific gender and/or age group? Select from the options shown in Figure 8-33.
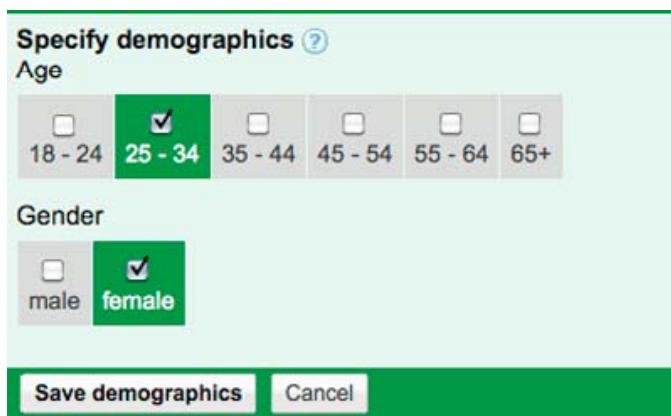
Figure 8-33. Demographic options for targeting video campaigns

- **Interests**: As with other campaigns on the Display Network, you can target the interests of potential customers. Visitor interests are determined by Google based on past browsing activity.

- **Remarketing lists**: Use the remarketing lists created in your AdWords account to show video ads to visitors interested in certain products or brands, or any other audience lists you have previously created. In addition, you can create new remarketing lists with AdWords for video based on visitors who viewed your videos. Think of it this way: someone who watched an entire 60-second video regarding your brand is a qualified lead.

- **Placements**: In the context of video campaigns, placements are sites in the Google Display Network or within YouTube. Therefore, a video campaign placement could be a YouTube channel or YouTube Watch page in addition to a site on the Display Network.

For targeting suggestions, Google provides a Targeting Suggestion Tool (Figure 8-34).

Figure 8-34. Targeting suggestion tool

You can mix and match targeting options to create a variety of targeting groups.

One of the benefits of the AdWords for video interface is the amount of data available. You can see where your videos were watched and for how long. For example, you can see if your video was played to 25%, 50%, 75%, or 100%. In addition, you can easily segment data to see results by network, format, ad, and campaign. Data is available at the ad, video, and target level.

Although this ad format is still new, we see a lot of promise in AdWords for video. YouTube is currently the number two search engine (after Google.com) and AdWords for video opens up a ton of new ad inventory. Use well-crafted video ads to engage with your potential customers on a new level. Keep in mind that with in-stream ads, the first five seconds will determine whether a user continues to watch. This is also five seconds to get your brand in front of users who aren't going to take the time to watch the entire video. Make those seconds count!

Display Ad Builder

To help advertisers quickly create image, rich media, and interactive ads, the AdWords interface includes the Display Ad Builder. To launch the Display Ad Builder, click the Ads tab within the ad group that you'd like to create an ad for, then +New Ad, and select the "Display ad builder" option.

Once the tool launches, you will see a variety of ad templates. The default sample ads are the featured ads, which are ads recently added, high performing ads, frequently used ads, or ads relevant to upcoming holidays. As you browse through these, you can star ads to save them for consideration. There are multiple ways to search the templates. You can select the Show all option and then use the Sort by function to select either the newest, most popular, or highest click-through ads. You can also sort by theme, as shown in Figure 8-35.

Themes

General Purpose
Seasons and Events
  Autumn
  Halloween
  More ▾
Industries
  Education
  Entertainment
  Financial
  Retail
  Technology
  Travel

Figure 8-35. Display Ad Builder themed templates

Each ad template has a version for each of the standard display ad sizes. To see what a particular ad looks like in each size, hover over the ad and click the link for Preview sizes. A pop-up will display the variously sized layouts (Figure 8-36).

Figure 8-36. *Preview of various ad sizes with the Display Ad Builder*

Once you've selected a template you want to use, click that format and the tool will take you to a screen that walks you through building your ad. The tool uses the information you enter to build your ad. The prompts will vary according to the ad's layout. As you build the components of the ad, the tool displays a preview on the right of the screen. Once you've built your ad, click "See all sizes" to review the ad in the various sizes. Click the check-boxes next to the desired ad sizes (Figure 8-37).
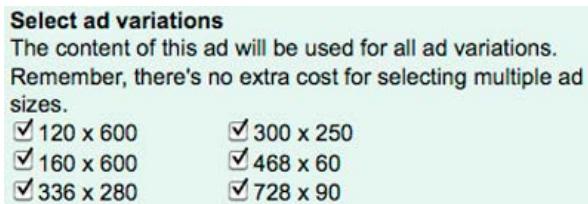
Figure 8-37. *Selecting ad sizes in the Display Ad Builder*

Click Next. You get one more chance to review the various ad sizes. All sizes are selected by default. If you aren't interested in using a particular ad size, uncheck the box next to that ad. Click the Save ad button and the tool will list your newly created ads in the table within the Ads tab.

The Display Ad Builder is a good way to quickly generate image ads for use on the Display Network. Use this tool to test various ads and messaging and enhance the more successful ads with professional help from a graphic designer or ad agency.

Creating Video Ads

You can also use the Display Ad Builder to create a video ad from an existing video. To get started, go to Display ad builder ➤ Media and channels ➤ Video, as shown in Figure 8-38.
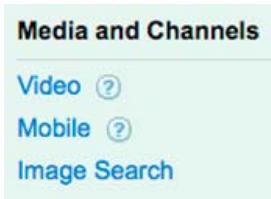
Figure 8-38. *Creating video ads*

Figure 8-39 shows the various options for video ads.

YouTube Promoted Videos Template
Use this template to promote your YouTube videos. Currently available in select countries.

In-Stream Video ad
Place a 15 or 30 second video ad within video publisher content.

Click to Play Video
Use this template to create a click to play video creative.

InVideo static image
Place an invideo image overlay with an image companion on YouTube and sites in the Google Video Network.

Expandable Video V1

Figure 8-39. Video ad creation options

Select the type of video ad you want to create and follow the prompts to complete the details of your ad. You can use a previously used video, a YouTube video, or create an ad with SpotMixer (`www.spotmixer.com`). The latter is an online service Google has partnered with to enable advertisers to create their own videos and TV commercials (Figure 8-40).

Figure 8-40. Setting up a video ad on SpotMixer

Content Ads Diagnostic Tool

To see if your ads are appearing on the Display Network, you can use the Content Ads Diagnostic Tool[5]. This tool provides information on your ads' visibility on a URL basis. Much like the Ads Diagnosis Tool for the search ads, you see the data for a URL by hovering over the speech bubble next to the URL. You can see if your ads are running on that site and if not, why not. There are two places to access this tool in AdWords.

The first way to access the tool is on the Adwords ➤ Campaigns ➤Networks tab. Click on Show details for Managed placements under the Display Network heading. Click "Show details" and look at the status column. (Be sure you have clicked All online campaigns in the left navigation frame.) The left column shows the domain for each placement. Hovering your cursor over the speech bubble in the Status column for a placement will tell you the status of the placement, and whether your ads are running for that placement.

The second location is via the Topics tab, which shows the status for URLs that are part of a Topics campaign. (If the Topics tab is not showing under the Campaigns section, see "The How To" under the Topic Targeting section earlier in this chapter.)

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[5] **"Evaluating ad performance on the Display Network" – Adwords Help:**
http://support.google.com/adwords/bin/answer.py?hl=en&answer=2404178

Success on the Display Network

Before starting a campaign on the Display Network, as with all your marketing campaigns, you should think about what you want to accomplish with your Display Network campaign. The Display Network is a great place to go when looking to expand the number of people entering the sales funnel and to increase the reach of your brand. However, it does come at an additional cost, so make sure it makes sense in terms of the marketing ROI for your business.

When judging success, remember that the Display Network behaves much differently than the Search Network. Success on the Display Network requires careful testing and optimization. There are several places to define your goals on the Display Network. Here are a few pointers for measuring success on the Display Network.

- **Use multi-channel tracking**: This is a new feature in Google Analytics that gives you the ability to track visitors at various touch points along the conversion path. Display advertising often increases conversions. We take a closer look at multi-channel tracking when we discuss Google Analytics in Chapter 11.

- **Track conversions**: The GDN increases your number of ad impressions, so expect to see a decreased CTR and a lower conversion rate than on the Search Network. Note that this is by no means a rationale for letting your CPA goals slip.

- **Decide on a bidding model**: When bidding on a CPC model, use descriptive ads to help weed out unqualified traffic.

- **Increase brand awareness**: One way of understanding how to increase brand awareness is by tracking your branded searches in Google Analytics. This is covered in Chapter 11.

Tracking and Optimizing on the Display Network

As Google continues to expand the Display Network, it also continues to create tools to help you understand the performance of your campaigns. This section talks about some tools that can help you evaluate and improve your results on the Display Network.

The Placements Report

The Placements Report tells you how your ads are performing on sites across the network. With all the improvements in reporting that have become available over the years, it's interesting to think that there was a time when even this data was not available. To access the Placements Reports, go to the Networks tab. The data table displays information for both the Search and Display networks. To see data for either your managed or automatic placements, click Show details. Figure 8-41 shows a sample line item from the report.

	Ad groups	Settings	Ads	Keywords	**Networks**	Dimensions	▼		

| All but deleted managed placements ▼ | Segment ▼ | Filter ▼ | Columns ▼ | ⬇ |

	Clicks ⑦	Impr. ⑦	CTR ⑦	Avg. CPC ⑦	Cost	Conv. (1-per-click) ⑦	Cost / conv. (1-per-click) ⑦	Conv. rate (1-per-click) ⑦	View-through Conv. ⑦
Search - off	0	0	0.00%	$0.00	$0.00	0	$0.00	0.00%	0
Google search - off	0	0	0.00%	$0.00	$0.00	0	$0.00	0.00%	0
Search partners - off ⑦	0	0	0.00%	$0.00	$0.00	0	$0.00	0.00%	0
Display Network	14,462	19,756,902	0.07%	$1.47	$21,191.55	99	$214.06	0.68%	0
■ Managed placements ⑦ show details	0	0	0.00%	$0.00	$0.00	0	$0.00	0.00%	0
■ Automatic placements ⑦ hide details	14,462	19,756,902	0.07%	$1.47	$21,191.55	99	$214.06	0.68%	0
Total - All networks	14,462	19,756,902	0.07%	$1.47	$21,191.55	99	$214.06	0.68%	0

■ **Display Network: automatic placements**　　　　　　　　　　　　**Hide details**

| Manage placement and bid | Exclude placements | See URL list ▼ | Download |

☐	Domain	Ad group	Clicks	Impr.	CTR	Avg. CPC	Cost	Conv. (1-per-click)	Cost / conv. (1-per-click)	Conv. rate (1-per-click)	View-through Conv.
	Total - all automatic placements		14,462	19,756,902	0.07%	$1.47	$21,191.55	99	$214.06	0.68%	0
☐	mail.google.com	▬▬ ▬▬▬ ▬▬ ▬▬ ▬▬▬	171	474,091	0.04%	$1.65	$282.27	1	$282.27	0.58%	0
☐	▬▬▬▬▬▬▬▬▬	▬▬▬ ▬▬ ▬	95	63,070	0.15%	$1.58	$150.23	1	$150.23	1.05%	0

Figure 8-41. *A view of the Placements Report*

As you can see from Figure 8-41, the Placements Report provides data on clicks, impressions, click-through rate, cost per click, cost, and conversions at the site level. To see the exact URLs, click the See URL list dropdown. Much like the Search Query Report, the URL List Report provides greater granularity into the exact URL query. Look for well-performing sites that can be added to a managed placement campaign; then optimize your bids on these well-performing sites. (However, keep an eye on sites you've added to your managed placements. In some cases, CPA can increase with managed placements.) In addition, be certain to exclude sites that aren't performing well. To exclude a site, select the placement and then click the Exclude placements button. Only exclude pages within a placement by viewing the URL list and performing the same exclusion process. Also, look for themes in placements to see where you might want to break out your keywords more.

Another place to see placements data is on the Dimensions tab by selecting "View: Automatic placements" (Figure 8-42).
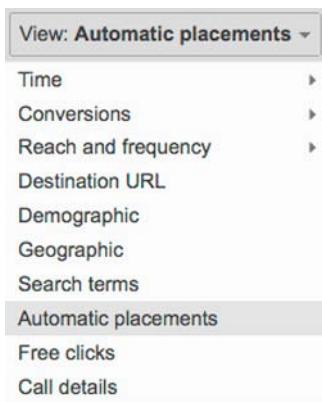
Figure 8-42.Viewing automatic placements from the Dimensions tab

From here, you can see the exact URLs at the ad group or the campaign level. The Dimensions Report allows you to customize the columns.

Placements Data in Google Analytics

Another opportunity for viewing placements data is in Google Analytics. To access the Placements Report in GA, in the left navigation frame go to Advertising ➤ AdWords ➤ Placements (Figure 8-43).
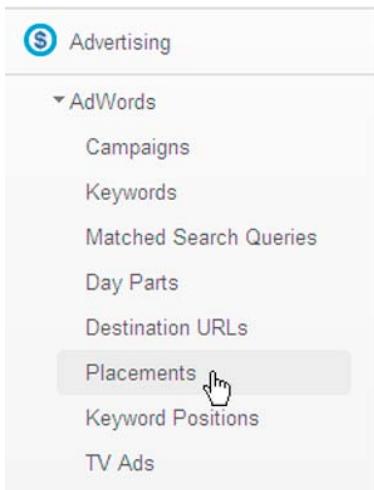
Figure 8-43. Selecting the Placements Report in Google Analytics

One advantage of viewing data in Google Analytics is the insight it provides into on-site data and user engagement with your site. What did visitors do once they arrived? Did they stay and check things

out, or did they take one look at your site and run the other way? Google Analytics provides data to answer these kinds of questions at both the domain and URL level (Figure 8-44).
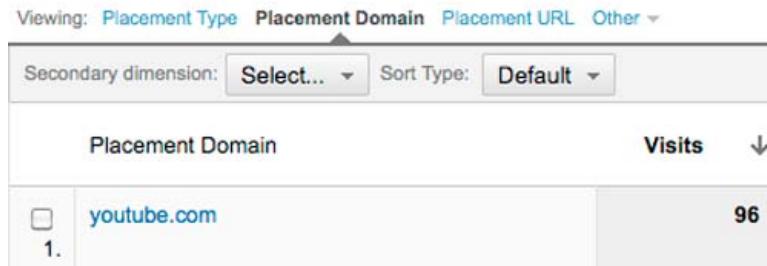
Figure 8-44. Placement domain and URL data is available in Google Analytics.

Another option is to use placement URLs and placement domains as secondary dimensions in a variety of other reports, such as the Day Parts Report (Figure 8-45)
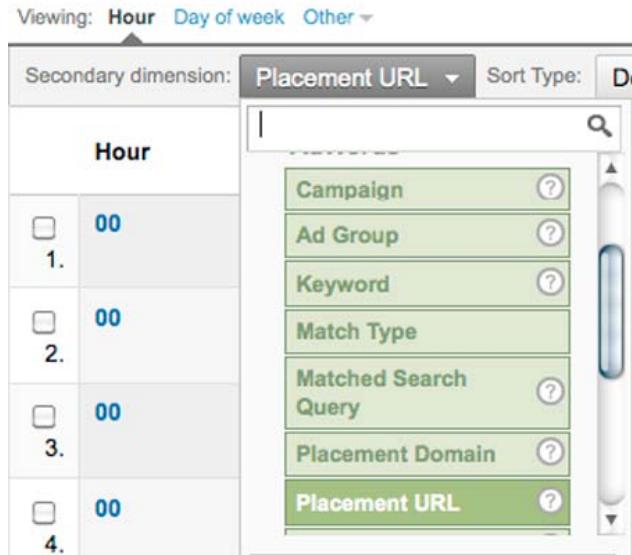
Figure 8-45. Day Parts Report in Google Analytics

You can set placement domain and placement URL as secondary dimensions in the following reports: Keyword, Matched Search Query, Day Parts, Destination URLs, and Keyword Positions. We will talk more about the reports available in Google Analytics in Chapter 11.

Excluding Placements by Site or Category

There are often reasons to exclude placements on certain sites or in certain categories of sites. You may find that some sites (domains) don't perform well in terms of the CTR for you display ads. Certain categories of sites may not work well for your brand. You can exclude specific sites or categories either at the ad group level or at the campaign level. You can also create exclusion lists that can be shared across multiple ad groups or campaigns.

To navigate to the area where you can define and manage exclusions and exclusion lists, go to Adwords ➤ Campaigns ➤ Networks. Click on All online campaigns in the left navigation frame if you want to define exclusions across all or a number of campaigns. Expand the Exclusions link in the lower left of the page by clicking on the + sign (Figure 8-46).
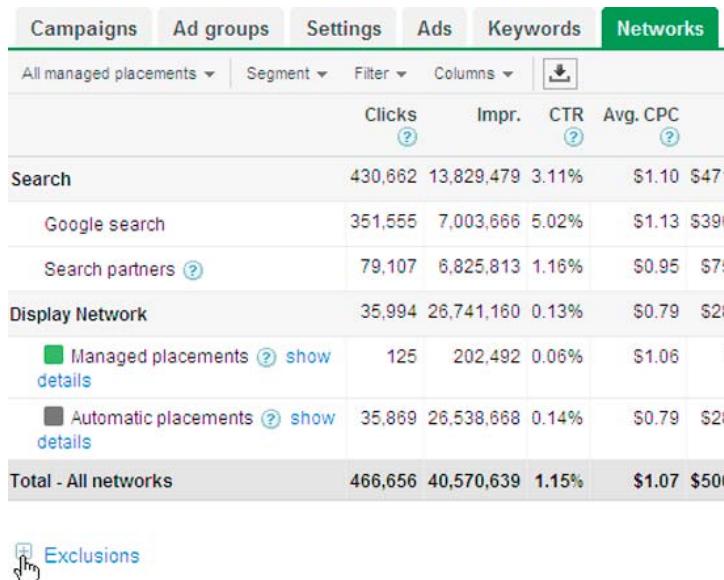
	Clicks ⑦	Impr.	CTR ⑦	Avg. CPC ⑦	
Search	430,662	13,829,479	3.11%	$1.10	$471
Google search	351,555	7,003,666	5.02%	$1.13	$396
Search partners ⑦	79,107	6,825,813	1.16%	$0.95	$75
Display Network	35,994	26,741,160	0.13%	$0.79	$28
▇ Managed placements ⑦ show details	125	202,492	0.06%	$1.06	
▇ Automatic placements ⑦ show details	35,869	26,538,668	0.14%	$0.79	$28
Total - All networks	466,656	40,570,639	1.15%	$1.07	$500

⊞ Exclusions

Figure 8-46. Opening exclusion lists in the Networks tab

This will expand the exclusion lists for both ad groups and campaigns. Figure 8-47 shows the top few exclusions for ad groups and campaigns. Click on the Add exclusions dropdown for the Campaign level list, and select Exclude category.
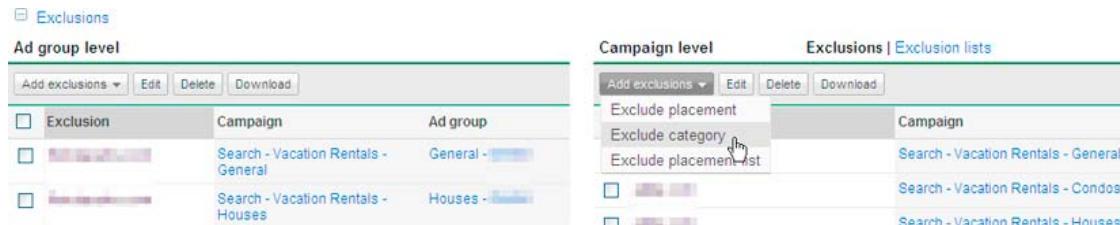
Figure 8-47. Selecting the Exclude Category in the Add exclusions dropdown

This will bring up the Category exclusion dialogue box (Figure 8-47). Click on the Choose button to select a campaign.

Figure 8-48. Selecting a campaign for setting up exclusions

Choose which campaign you want to manage, and a list of exclusion categories will be presented. Figure 8-49 shows the top few entries in this list. As of this writing, the full list included 23 categories. The list includes a range of data for the campaign in each category to help you

Figure 8-49. Selecting exclusion categories for a campaign

Use this data—paying close attention to the two cost-per-conversion columns—to help you decide which categories are not cost-effective, or are otherwise not meeting your goals. To exclude a category, simply click the check-box to the left of the Category name, as shown in the figure. Once you've selected the categories to exclude, click the Save button at the bottom of the list.

This is also your opportunity to see how your ads are performing on parked domains and error pages. If you are paying on a CPM model, use the category exclusions facility to exclude your ads from showing below the fold.

Unseen Impression Filter

This one is more of an FYI, rather than a report that you can set up and run. Basically, if your ad is displayed below the fold, the likelihood of someone seeing your ad is low. The Unseen Impression Filter ensures advertisers aren't charged when Google predicts that a user will not scroll to see your ad. In other words, you won't be charged for ads with a "low probability of being seen." This feature is set up automatically and requires no action on your part[6].

Frequency Capping

If you're concerned your customers may grow weary of seeing your ads as they browse the web, you can use frequency capping to limit the number of ads served to an individual user per day, per week, or per month. To turn on this functionality, navigate to Advanced settings under Campaign settings (Figure 8-50). Select the campaign you want to set a frequency cap for in the left navigation frame. You can apply the setting at the ad, ad group, or campaign level[7].
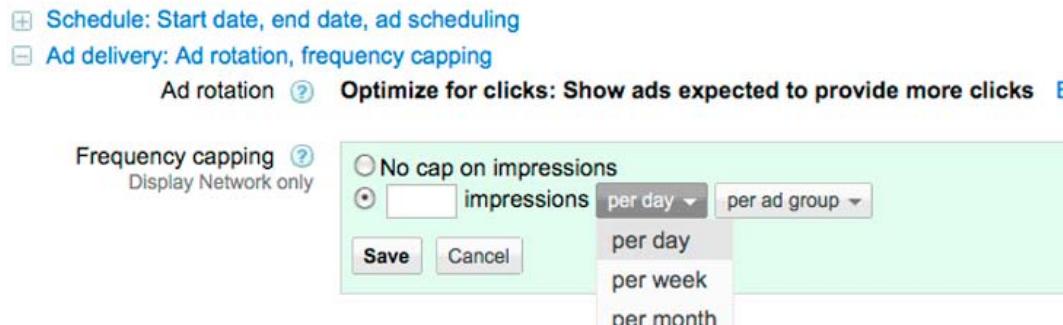
Figure 8-50. Frequency capping settings

Relative CTR

The relative CTR metric compares your CTR to those of other ads running on the same placements across the network. To see this metric you can customize the columns at the campaign or ad group level of the account. The following equation is used to determine relative CTR:

```
Relative CTR = (Your CTR)/(CTR of all Advertisers on the same placements)
```

---

[6] "Google Display Network introduces new performance bundle" Google Inside Adwords Blog, June 14, 2011. http://adwords.blogspot.com/2011/06/today-innovations-in-targeting.html
[7] See the section titled "Setting a frequency cap on impressions for your Display Network ads" in "Choose an ad delivery method," Adwords Help Center -
http://support.google.com/adwords/bin/answer.py?hl=en&answer=2404248&from=117579&rd=1

Relative CTR is an indication of how well your ad content is resonating with your audience on the Display Network and it gives you an indication of your quality score. A relative CTR of 1 means your CTR is the same as the overall average for the same placements. A relative CTR lower than 1 tells you that your competitors are outperforming you. This is a good starting point for testing alternative ad creatives to see if you can improve your CTR.

In addition, make sure your placements are relevant. You can also take a closer look at your CPA. If you're meeting your CPA goals, look at how you can improve on placements. If you have a good CPA but low relative CTR, this is a sign you're on the right placements but may be missing some opportunities.

Summary

The Display Network is your opportunity to reach potential customers that are browsing sites within Google's Display Network, rather than searching on a search term. Take the time to understand the various targeting options and then be creative! Not only can you use each method described in this chapter to reach customers in a new fashion, but you can combine various methods to refine your targeting. Targeting options include the following:

- **Remarketing**: Visitors to pages within your site are cookied and shown your ads while browsing on the Display Network.

- **Contextual Targeting**: Display sites are matched on the theme of your keywords.

- **Managed Placements**: Display sites are selected individually.

- **Topics**: Your ads are shown on sites that are matched to a topic or excluded from showing on sites related to particular topics.

- **Interest Categories**: Ads are matched to visitors' browsing interests. The content of the site is irrelevant.

- **Display Campaign Optimizer**: Display sites and bidding are automatically optimized.

Because the Display Network doesn't reach an audience that is actively searching, it's important to position your bids and ad creative with this in mind. Image and video ads are useful for making your ads stand out. Use the data available in both the AdWords interface and Google Analytics to fine-tune your display campaigns.

Advertising on the Display Network requires separate strategies and goals. Another rapidly expanding ad channel within AdWords that has its unique characteristics is mobile advertising. In the next chapter, we will explore this area of paid search and its unique opportunities.

Mobile Advertising with AdWords

If you don't yet have a mobile campaign going and haven't been following the action in this arena, we hope this chapter will grab your attention. The subject could easily fill a book in itself, so there's no way to do it justice in one chapter. To leave the subject untouched in a book on Google AdWords, however, would leave a large blind spot. If you're just getting started with AdWords, adding a mobile campaign immediately might be premature; but given the trends—which we will explore shortly—you should consider keeping it near the top of your To Do List. This chapter presents a brief overview of mobile advertising in the context of Google's fast changing mobile ad formats and technologies.

Mobile advertising involves mobile platforms, of course: smartphones, like the different subspecies of the iPhone and the Androids; the feature phones of earlier vintage; and tablets like the iPad and Samsung Galaxy. In this chapter, we'll focus primarily on the higher-end smartphone platform since these are definitely the way of the future. Smartphones and tablets provide a much more robust feature set, including full-fledged browsers and e-mail clients, and the availability of tens of thousands of downloadable apps.

Mobile marketing has a long history; it was here long before the advent of the smartphone. In its early days, its platform base was the older feature phone technology using SMS (short message service) and WAP (Wireless Application Protocol) browsers. We'll talk a little more about this side of mobile marketing shortly. It's still important because there are a lot of feature phones still out there, and WAP is still the most widely used wireless protocol.

Most of this chapter, however, focuses on creating ads and campaigns for the smartphone platform and tablets like the iPad. The fundamentals of AdWords mobile marketing technology can apply equally to both platforms, with perhaps some tweaking and configuration required here and there for the tablet. When configuring your mobile ad campaign, AdWords allows you to specify the kinds of devices on which your ad will appear, as well as which wireless carriers.

■ **Note** Navigating the figures in this chapter will be a bit more complex than is the case with other chapters. Because of the complexity of some of the interfaces and procedures we discuss, we have a number of references in the text to figures that may appear one or more pages away from the place where you see the reference. In these cases, we will use the convention of saying "(see Figure 9-X)" (where X is the sequence number of the figure) to give you a hint that the figure isn't close by, and that you will have to flip a page or two back or forward to view it. Otherwise, you would only see something like "(Figure 9-1)" if the figure is in the immediate vicinity.

Trends in the Mobile Ad Environment

Mobile is the fastest growing channel of Google's ad service portfolio. To get some perspective, consider something Google CEO Larry Page said in Google's October 2011 earnings conference call: "We're … seeing a huge positive revenue impact from mobile, which has grown 2.5 times in the last 12 months, to a run rate of over $2.5 billion."[1] If Google's mobile ad revenues continue on this trend line, the company will achieve a mobile ad run rate of around $6.25 billion by Q4-2012. With this kind of growth in the mobile channel, we are sure to see Google continue to invest substantial engineering and capital resources to advance its mobile ad capabilities.

Does this mean a mobile campaign is right for you? Not necessarily. Your business may not be the kind that lends itself to a mobile ad campaign. If you're a small manufacturer, for example, then mobile ads probably aren't the way to go. If you're a small retailer, however, or even a national franchise business, then mobile is definitely something you should know about.

The Growth of Mobile

In October 2009, only three of the Fortune 1000 companies had mobile advertising campaigns and there were a reported 2.5 billion mobile ad impressions that month; in September 2011, 250 of the Fortune 1000 had mobile ad campaigns in place and the number of monthly mobile ad impressions had grown to 23 billion[2]. This means the number of mobile ad impressions has grown by a factor of 9.2 over a two-year span—over double the growth rate of search queries.

At the TechCrunch Disrupt conference in San Francisco (September 2010), Google CEO Eric Schmidt said: "Eventually, we think mobile will be the majority of the searches and the majority of the revenue." When this will happen is anybody's guess; it could take a while. But, given current trends, Mr. Schmidt's forecast looks plausible.

Devices

The term *mobile device* is usually limited to portable, handheld devices that have wireless capability (3G, Wi-Fi, 4G/LTE, WiMax, etc.). In the context of mobile ads, we would add the qualification that the device must incorporate some form of web browser. The kinds of devices that meet these criteria typically fit into one of two categories.

- **Smartphones:** These are mobile phones that combine the capabilities of a feature phone with those of a PDA (personal digital assistant) and operate on wireless protocols. Smartphones provide a number of mobile capabilities that correspond with common desktop capabilities, such as e-mail clients, web browsing using either a WAP browser or a full web browser, and other wireless applications. Examples include the iPhone (iOS), a number of phones using Google's Android OS, Microsoft's Windows Phone, and RIM's Blackberry.

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[1] Search Engine Land, "Will Google See $6.25 Billion In Mobile Ad Revenue Next Year?" http://searchengineland.com/will-google-see-6-25-billion-in-mobile-ad-revenue-next-year-97280, Sept. 17, 2011.
[2] Source: InMobi. See also: "Global mobile statistics 2012" - http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats

- **Connected devices:** These are handheld devices that can access the mobile web but aren't mobile phones. Examples include tablet computers such as the Apple iPad, Apple iPod Touch, Nintendo DS, Sony PSP, etc. Wireless-capable PDAs are included in this category.

Google's Mobile Ad Offerings

This section surveys Google's mobile ad technologies and how they address the unique needs of mobile platforms. A number of the technologies discussed here came online only recently (Q4-2011), and it won't be surprising to see even more in the future.

Ranking Factors: Proximity and Page Optimization

Google has introduced a feature in their mobile ad ranking algorithm that will make user location a more important factor in ranking mobile ads. Searchers can enable their devices to share their physical location; once they do this and search for a service or product, ads from the closest businesses will rise to the top. If Bob's Shoes is closer to the user's location than Joe's Shoes, Bob's ad has a leg up in the rank factors (if the user has turned location on). This helps both the searcher and the store, since the search brings to the fore the best options (in terms of proximity), and the store is now able to structure its mobile campaign to target users who are more likely to show up at their door. To take advantage of this feature, advertisers need to set up the location extension to communicate the store's physical location to Google.

Mobile page optimization is also a quality factor used in ranking mobile pages. This means that if you are serving desktop pages containing desktop-sized content to mobile devices, these pages will rank lower than if they had been mobile-optimized[3].

Mobile App Extensions

In beta as of October 2011, this new feature allows a business to use mobile search ads to direct a searcher to a page or location within a mobile app installed on their smartphone. If an app is available but not installed, the user is asked whether to download and install the app. See the section on mobile analytics later in this chapter for details on how mobile apps can be tracked in Google Analytics.

Custom Search Ads in Mobile Apps

Mobile apps often have their own search capabilities. There are search apps for restaurants, service stations, shopping services, lodging, transportation services, and many other types of businesses.

Let's take— as a hypothetical example— an app called Grub Finder (Figure 9-1), which finds local restaurants according to several criteria including distance, type of food, price level, etc. Google now provides a way for Android and iOS app developers to provide Custom Search Ads within their app interface. These ads offer an additional avenue for developers to monetize their app, provide additional benefits to users and businesses, and perhaps create more demand for their app.

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[3] Google Mobile Ads Blog, "Mobile website optimization now factors into mobile search ads quality," `http://googlemobileads.blogspot.com/2011/09/mobile-website-optimization-now-factors.html`, September 21, 2011:
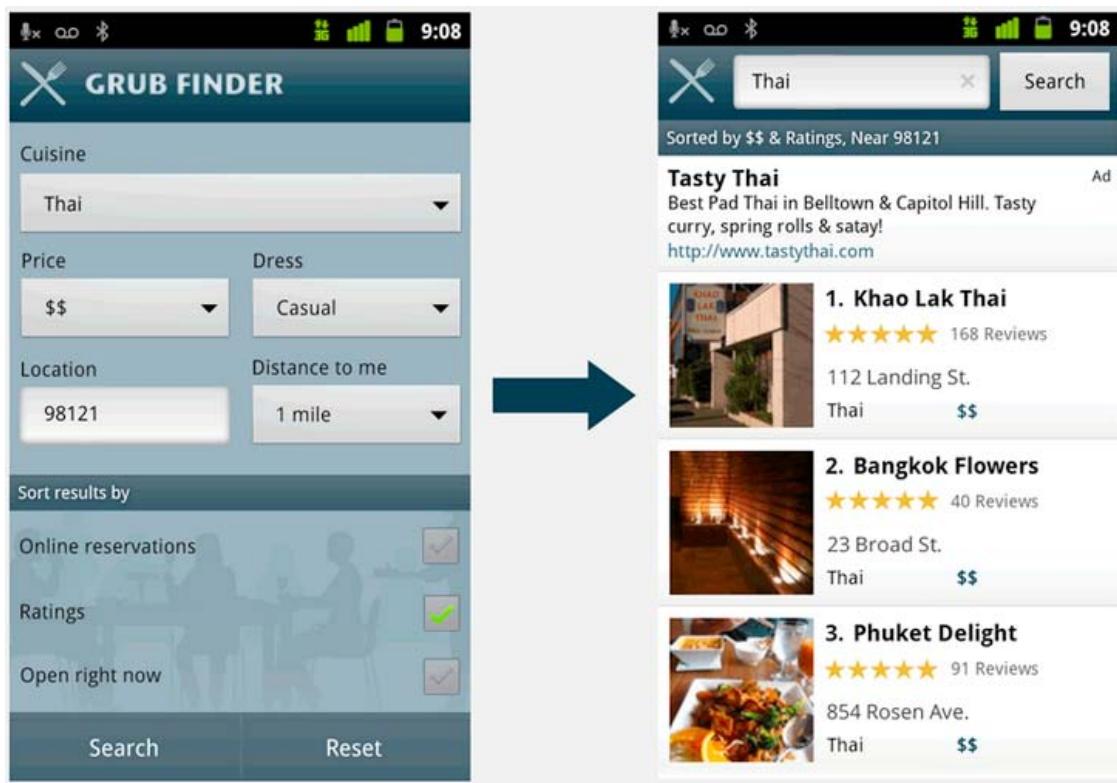
Figure 9-1. Grub Finder, an example of a mobile app with Custom Search Ad capability[4]

If you're managing or setting up a mobile ad campaign, it's a good idea to find out if there is a mobile app addressing your area of business that has a search capability like that illustrated in Figure 9-1. If one exists, it may already incorporate Custom Search Ads, or the developer of the app may be working on this capability for a future release. If your mobile campaign is set up in the right way, such an app can drive customers to your store or business, so be prepared to design and test your ads for this kind of mobile environment.

Mobile web sites can also incorporate Custom Search Ads with the same customization and options available for mobile apps.

Click-to-Download

Mobile users looking for an app often search for the app directly from their mobile device. The Click-to-Download ad format has been available for a while, but Google now provides an additional feature that wasn't previously available: using this format will automatically find the icon for any app registered in the iTunes App Store or Android Marketplace. When clicked, the app icon or ad link will take the user

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[4] The source for all smartphone screen shots in this chapter is Google.com.

directly to the appropriate location (iTunes App Store or Android Marketplace) where they can click to download the app. Google also enables app developers to include the app icon and information about the app directly in the ad, so that the user can make a more informed decision whether to install the app. Developers who have an ad unit for their app needn't do anything to take advantage of this new ad format, since Google automatically updates the ad with the app icon, as long as it's registered. Figure 9-2 shows a before-and-after image comparison for the new click-to-download format, which now appears with the app icon in the ad.
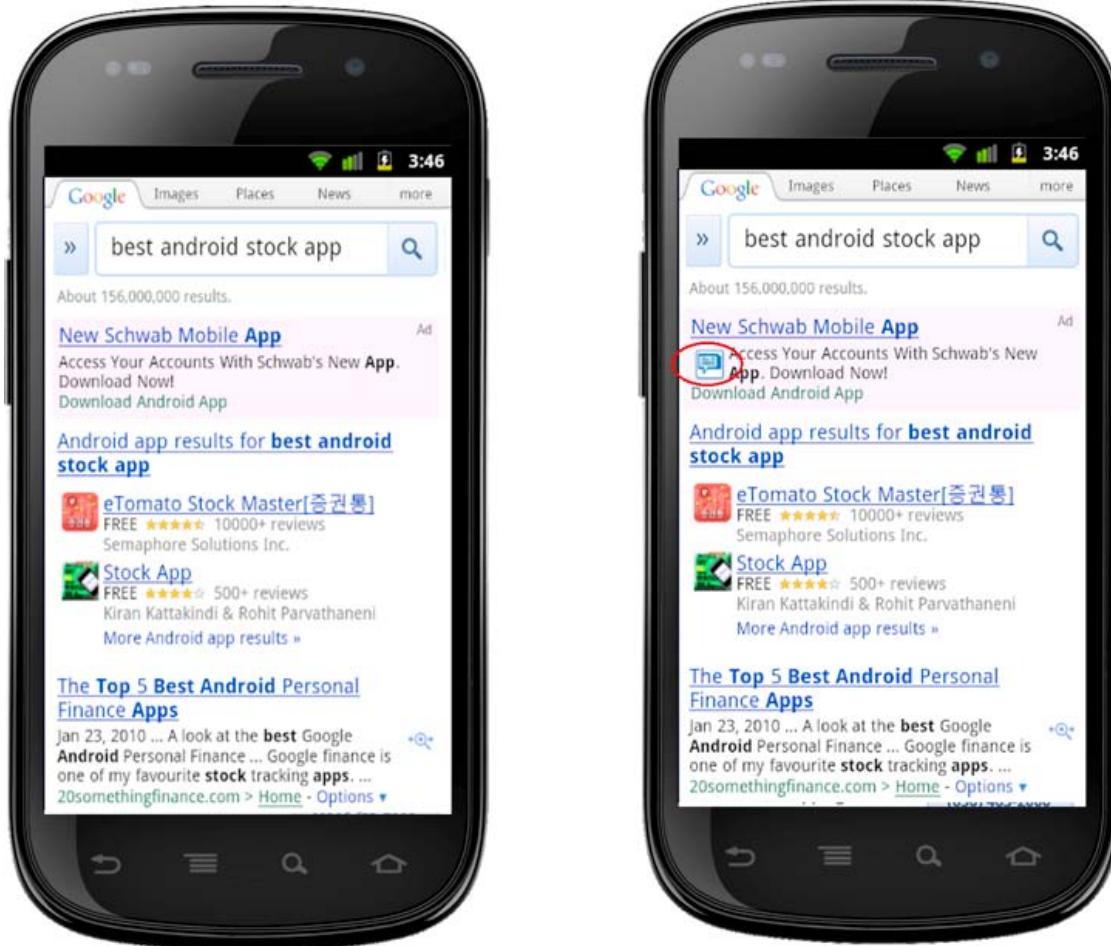
Figure 9-2. App ad without (left) and with (right) the click-to-download app icon

Click-to-Call

A big advantage of smartphones is… well, they can make phone calls! Google introduced the click-to-call (CTC) ad format in January 2010 for high-end smartphones with full web browsers. If an ad has this extension, all a user needs do to reach a business is click the phone number in the ad (Figure 9-3). CTC

has become arguably the most successful ad extension for mobile in terms of generating business and leads for mobile advertisers. Google says click-to-call is now driving millions of calls per week to hundreds of thousands of businesses worldwide (Q4-2011).

One advantage of click-to-call for smaller businesses is that you can generate customer inquiries by phone without having a landing page or web site. Regional and national businesses and franchises with multiple locations are able to set ads to display a clickable phone number for the location closest to the user. The cost of a call initiated through CTC is the same as a click-through of the ad itself, but the benefit is that the user is initiating the communication. These users are normally further along in the buying decision process, and this is a big reason why CTC has been so successful for mobile advertisers. Google says that ads having a clickable phone number result in a 6-8% average increase in click-through rates. The additional ad line for the phone number adds no cost to the ad.
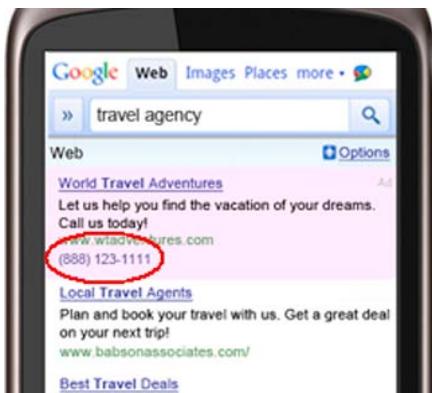
Figure 9-3. *Mobile ad with click-to-call extension*

Two extension types can be involved in click-to-call: location extensions and call extensions. Either or both can be applied to set up click-to-call, depending on how you would like it to work.

Using Location Extensions

We talked about location extensions in detail in Chapter 5, but we'll add a few words about it here in the context of mobile ads. When you set up your location information in Google Places, be sure to include your phone number. The location extension will attach location-specific information to ads for users interested in or physically near your location. For some phones that access Google's My Location service, Google may also serve ads based on precise location signals derived from the device ID, Wi-Fi, or GPS location.

Users must opt in to allow this location data to be used for ad-serving purposes. Google won't share users' location information with advertisers, and location information is not tied to a user's Google account for ad serving purposes.

Businesses having multiple locations—even franchise operations like restaurant chains with hundreds or thousands of locations across the country—can configure their ad units to provide users with a local phone number closest to their current location.

Make sure you've opted-in to show your ads on high-end devices with full web browsers, such as iPhones and Android phones. Check which devices your ads will show on from the Settings tab for your campaign. Once you've checked that these settings are implemented, customers will automatically be able to reach your business using click-to-call.

Using Call Extensions

Call extensions were covered in Chapter 7, but they deserve a mention in a chapter on mobile. CTC can also be set up using call extensions, which are intended to make it easy for customers to call you directly from an ad, whether the ad is appearing on a mobile or non-mobile device and whether the user's device has a call capability. You can set up the call extension to run ads only on call-capable devices, such as high-end smartphones, but this isn't required in order to use call extensions.

One option you have with call extensions is to set up a Google forwarding number. Google generates and provides a unique phone number in your ads, whether the ad appears on a desktop computer or a mobile device such as a smartphone. If a user calls this forwarding number from your ad, the AdWords system routes the call to your business phone. Google's tracking system lets you generate call reports showing the number of calls you've received, call duration, and inbound area code.

Using Call and Location Extensions Together

Besides setting up call and location extensions to work independently, it's possible to set them up to work in tandem. Either type of extension will enable the display of a click-to-call phone number next to your address in the ad. You may ask if there's a difference—and yes, there is. Location extensions facilitate setting up multiple phone numbers for multiple locations: users see the phone number for the business location closest to their location at the time they're viewing the ad. For example, if your search was for Mo's Muffler shop (a nation-wide chain with many locations), and Mo's had set up their ad campaign using location extensions, then the ad you see would display a clickable phone number and address for the location nearest you.

Call extensions, on the other hand, show the same phone number to all users, regardless of location. If your business has a national customer service call center, using a call extension is the logical way to go.

Some kinds of businesses (such as insurance companies or banks that have multiple local branch offices) may want to have a broad telecom reach mixed with local targeting (calls directed to a national call center but showing local addresses). In this situation, location extensions can be used to show the address of the nearest office, along with the same national click-to-call number visible to all customers.

Hyperlocal Search Ads

Hyperlocal refers to an area at the community level or smaller; it could be a ZIP code, a neighborhood, or even a block. Hyperlocal search is a subject that is best explained by an example.

Say you're in Palo Alto for a class reunion, staying with an old classmate who still lives in the area of your alma mater. Your old classmate picked you up at the airport, so you've skipped getting a rental car. Even though you're on vacation your boss calls you—apologetically—to say she needs you to meet with a client in Monterey in two hours to resolve questions they have about a new project.

How do you pull this off? You search on your smartphone for "car rental," and the top ad shows there is an Enterprise rental location a half-mile from your current location in Palo Alto (Figure 9-4). You click the + sign next to the Palo Alto location link at the bottom of the ad (this is a feature of this particular ad format) and a Google Map display pops up to show you the location of the closest rental office. The blue map pin at the left of the ad indicates your distance to the Enterprise location. You click the phone number to place the call and tell the representative you need a car ASAP. He says he can have a car delivered to you within 15 minutes.
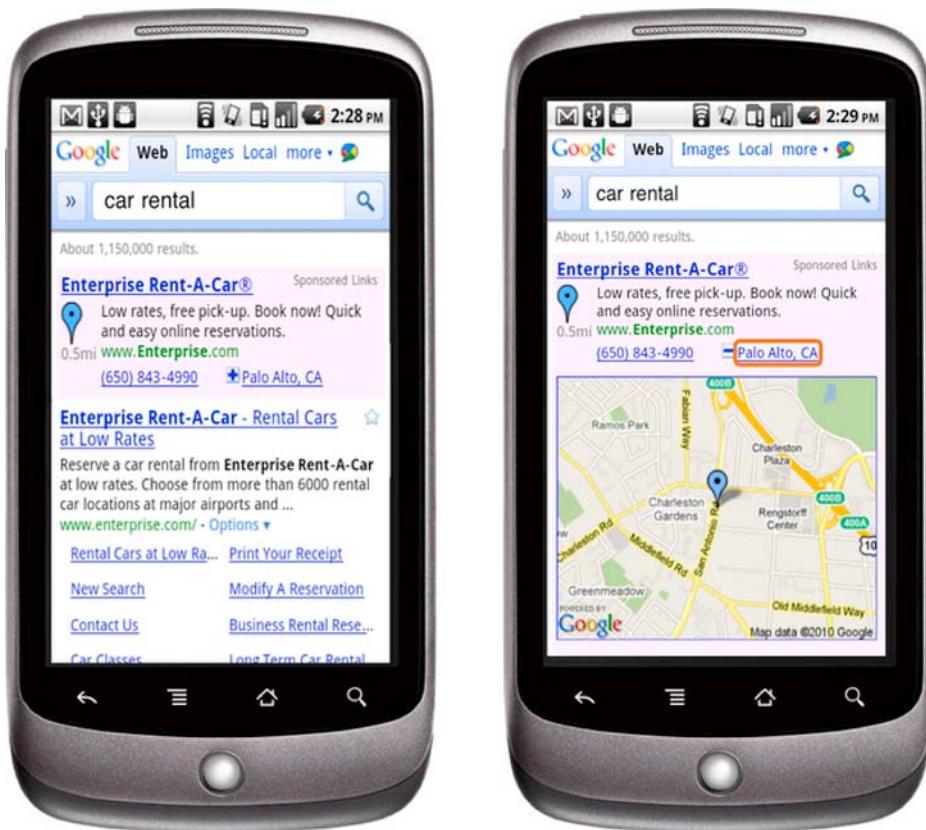
Figure 9-4. *Hyperlocal ad format*

Google's hyperlocal ad format, based on their earlier location extensions, is intended to help users find advertisers in exactly this kind of situation. Google Maps features, such as driving directions to an address or showing the current driving distance to a destination, can be displayed as part of the ad. The company is continuing to work on hyperlocal features, so it's likely we will see more offerings in this area.

Enterprise Rent-A-Car and Roy's Restaurants have both used the hyperlocal format in their ad campaigns. Roy's agency developed a mobile-only and hyperlocal campaign that resulted in a 40% increase in calls with a CPC 67% less that its desktop campaign[5]. Laura Bryant, an Enterprise spokesperson, said that "Since Enterprise Rent-A-Car has neighborhood and airport locations within 15 miles of 90 percent of the U.S. population, Google's hyperlocal ad feature is an excellent medium to help our customers find us at the exact moment they need us most."

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[5] Google Mobile Ads Blog, "Roy's Restaurants achieves 800% ROI with mobile only campaigns and hyperlocal advertising," http://googlemobileads.blogspot.com/2010/12/roys-restaurants-achieves-800-roi-with.html, Dec. 8, 2010.

Circulars

This new ad format emulates the print ad circulars showing discounts and sales that we often experience falling out of our paper every Sunday morning (Figure 9-5). It works on desktop, mobile, and tablet browsers. Google started testing the circulars format with Best Buy and Macy's in early October 2011. Circulars can show photos or rich media components offering products or specials. (The testing program had just gotten underway as of this writing, so information and setup procedures are still a work in progress.)

Advertisers can configure the circular's format to display ads relevant to the store closest to the user's location. If users see a circular ad on their desktop computer, they can e-mail the ad to their smartphone, then take the phone with them into the store to show the ad to have a specific discount or offer honored at the point of sale.

Figure 9-5. Mobile circular ad format

Understanding the Mobile Consumer

You can think about the mobile consumer on two different levels.

1. What's going on at the aggregate or macro level? What are the trends in mobile usage, in the mix of devices, and how they are being used?

2. What are the needs and motivations of the individual mobile user?

These two levels of understanding are related, of course, because needs and motivations of individual consumers are what drive the macro trends.

The Macro Level

Let's take the macro level first by looking through a somewhat random set of trends and data points.

- From 2007 to 2011, Google's mobile search queries grew by a factor of four [6].

- According to the Kelsey Group, in 2010 there were 54.5 million mobile Internet users in the United States, representing 25% of online users.

- Click-to-call is now driving "millions of calls per week" for Google globally.

- Google says that 40% of mobile queries relate to location. Figure 9-6 shows the actions users in the US took after doing a local search.

- Smartphone shipments surpassed feature phone shipments in Western Europe in the second quarter of 2010 and in the US in the first quarter of 2011. So smartphones are clearly becoming the dominant species in both the US and Europe.

- Market researcher Strategy Analytics is predicting that 1 billion HTML5 smartphones will have been sold by 2013 [7] (see the section on HTML5 later in this chapter).

- The number of international mobile 3G subscribers has grown 35 percent year over year to total 936 million, or 17 percent of all mobile subscribers.

- There are about 835 million smartphone users worldwide, compared with a whopping 5.6 billion mobile users in total. (The latter number includes people with feature phones or low-end devices.)

- Android phone adoption is ramping up considerably faster than iPhone (iOS).

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[6] Some of the data in this section are derived from a presentation by Mary Meeker at the Web 2.0 Summit in September, 2011. See `http://kpcb.com/insights/internet-trends-2011`. (Ms. Meeker is a partner at the venture capital firm KPCB, and a former analyst at Morgan Stanley.)

[7] TechCrunch , "Forecast: 1 Billion HTML5 Phones By 2013," `http://techcrunch.com/2011/12/07/forecast-1-billion-html5-phones-by-2013/`, December 7, 2011.

- iPad (iOS) ad impressions increased by 456% for the 12-month period from September 2010 to September 2011.[8]

- 85% of the world's population is covered by commercial wireless signals, providing greater reach than the electrical grid, which covers 80%.

- 71% of smartphone users search because of an ad they have seen either online or offline.

- 82% of smartphone users notice mobile ads.

- 74% of smartphone shoppers make a purchase as a result of using their smartphones to help with shopping.

- 88% of those who look for local information on their smartphones take action within a day.

- 79% of smartphone owners use their phones to compare prices, find product info, and, in general, to shop.

- 70% of mobile users use their phone while they are in the store, after they have gone through the decision process by searching on their phone and making the decision to go to the store.[9]

(These numbers were current as of February 2012.)
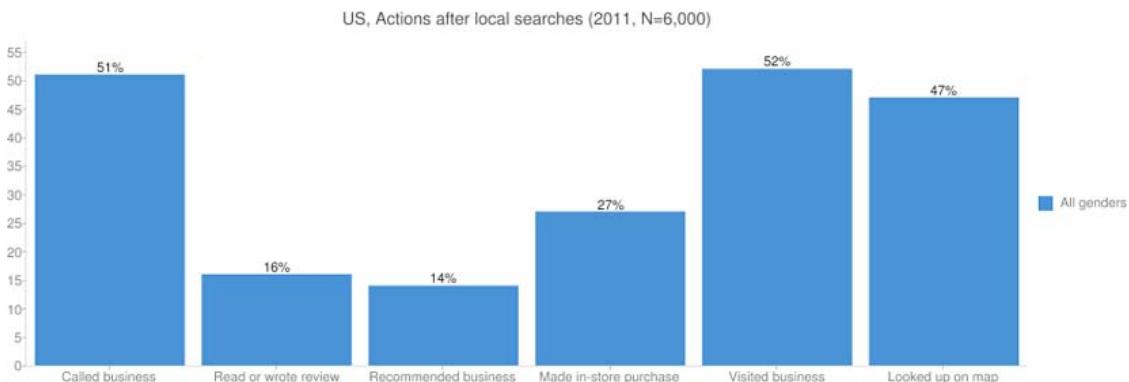
Figure 9-6. US mobile user actions after performing a local search

The growth of social media (e.g., Facebook, Four Square, and Yelp) has also played a significant role, both in the tremendous growth in the number of mobile users and in the growing importance of mobile marketing channels.

[8] Source: Millennial Media.
[9] Google Mobile Ads Blog, "Smartphone user study shows mobile movement under way," http://googlemobileads.blogspot.com/2011/04/smartphone-user-study-shows-mobile.html, April 26, 2011.

The Micro Level

At the micro, or individual level, each person's usage is different from the next, but there are common threads that can be highlighted. Consumers looking for information on a smartphone nearly always do so because they want this information quickly; they don't want to wait until they are back at their laptop or desktop. However, when users are near their home or office computer, whether it be a laptop or desktop, they prefer the larger display area and full browser features of the computer as compared to the smaller screen of the smartphone. This means if a user is using their smartphone for web functions or searching on something, they are most likely on the move or at some venue (a coffee shop, bookstore, or a subway station). If this is their situation, this has an impact on their search behavior and web usage. For one thing, smartphone web searches are twice as likely to be location-related as compared to searches done on a laptop or desktop.

If you are thinking about how to set up a campaign optimized for mobile users, what are the important points on the checklist? Here's the short-list of constraints to keep in mind:

- Smaller display

- Limited browser features (no mouse)

- Limited CPU power

- Limited memory

- Limited battery power

- Users are likely to be on the move

- Unreliable wireless coverage in some situations

However, here's a short-list of advantages to keep in mind as well:

- Ability to make calls (click-to-call, location extension)

- On-board camera (scanning QR codes in stores, etc.)

- The whole mobile app ecology

- Geolocation (location extension, hyperlocal ads, certain mobile apps)

We've called these short-lists because they are most certainly incomplete, and will most certainly change over time as the technology (devices and wireless network capabilities) and usage patterns will change in ways that can't be foreseen. The main point here is that it's good to start thinking about and observing these differences between the desktop/laptop world and the mobile world. If you understand these differences, you're more likely to develop and manage a successful mobile campaign.

The Mobile Campaign Checklist

Here's a checklist of best practices to follow when developing your mobile ads and landing pages. Experience can count for a lot, so it pays to keep a record of lessons learned and to compare notes with other businesses or agencies engaged in developing mobile campaigns. This checklist is by no means exhaustive, but we feel it hits the highlights of what you need to address. As you gain experience in the mobile realm, you may come across other items you want to add.

☑ Simple Layout

Because of the limited display area of smartphones, a top priority is keeping the layout clean and simple. Taking a web page that looks fine on a laptop as your starting point with an eye towards trimming it down almost always is not a good idea. There will likely be elements of the web page that can be captured or distilled for your mobile page, but aim for simplicity and frugality. Google says a good rule of thumb is to make all content viewable on the device at arm's length. If you're on a subway making an important dinner reservation, this can be important. Make searching as easy as possible. And while smartphones lend themselves to rich media content, keep this type of content short and sweet.

☑ Prioritize Content

With limited display space, prioritizing content is essential. This means the most important information should be at the top of the display. A simple and short question at the top of the page, with a few answers or categories the user can select, is a good approach. Don't yield to the temptation of adding that last image or line if it brings the clutter factor up noticeably. Keep page titles short. Most mobile browsers won't display more than 40 characters for a page title.

Put yourself in your visitors' shoes, and think in terms of whether the information you're adding to the page is of value to them. Give the visitor an action-oriented experience. Some careful thought given to setting up a clean and simple decision tree for your visitor will always pay off. Do whatever you can to keep load times fast and navigation simple

☑ Design for Thumbs

There is no mouse. Even though our thumbs are our digits of least reach and precision, the great majority of people use them as their mouse stand-in on smartphones: they use them to scroll, and they use them to click buttons on the display, or (if the phone has them), somewhere off the display. Most people hold the phone in one hand or the other, so this means one thumb. When you're doing things with your thumb on your phone, vertical scrolling works a bit better than horizontal scrolling so that's usually the best way to go. In any case, build your page layouts to scroll in only one direction as the visitor goes through their choices. So vertical scrolling is best, horizontal is okay, and bi-directional is not good.

Also, design with an eye to preventing accidental clicks; these lead to frustration and a bad experience for your visitor. This means call-to-action buttons big enough to hit without squinting and not too close to other clickable things like links.

☑ Use the Features Unique to Mobile Devices

The geolocation capability of smartphones and iPads has been a boon to users and businesses alike. If you're able to base content on a user's location, this adds value for the user. But ask users if they would like to use their current location first. Testing location-related features or content on the ground can be important and can raise issues that may not have otherwise occurred to you.

If you have a retail location or multiple locations, build for the user's mobile-to-store experience. Make it easy to navigate to your locations page and make click-to-call clearly available.

☑ Flash: Don't Use Features Mobile Devices Can't Support

Flash is at the top of this list. Some mobile devices support it, but a high proportion of devices don't. Even with those that do, execution can be iffy. Flash will not play on iOS mobile devices, meaning iPhones, iPads, and iPods. If you're curious about why Steve Jobs chose not to support Flash on Apple mobile devices, see his April 2010 "Thoughts on Flash" article on the Apple web site.[10]

In general, building your mobile ad in a way that depends on proprietary or third-party add-ons is asking for trouble.

☑ Make it Easy to Convert

Keep the conversion process as short and simple as possible. Make a clear call to action on the page where it makes the most sense. Here again, click-to-call can be an important option for your visitors, once they've made the decision to take action. And again, the conversion button should not be too small and should not be close to another link.

■ **Note** It's a good idea to get to know what's involved in implementing the new digital wallet and "Tap & Go" payment technologies, such as Google Wallet (www.google.com/wallet) and MasterCard PayPass (www.paypass.com). The roll-out of these technologies is only beginning to ramp up in the US as of Q1-2012. eWallets have been in use in Europe and Japan—using both smartphones and smartcards—for a while longer than in the US. Mastercard and Citibank are working with Google to enable this form of payment with smartphones. Visa has announced it is rolling out its new e-payment system, to be called "V.me," in early 2012 (www.v.me). Most of these systems use near field communication (NFC) to allow a purchaser to complete the transaction by simply tapping their smartphone on a reader or other device when they're ready to make the purchase. The new Apple store in New York City's Grand Central Station is set up to support e-payments without the intervention of a cashier or sales person.

☑ Take Full Advantage of Google's Mobile Ad Features

Features such as click-to-call and location extensions can add value to mobile ads and improve campaign performance. Don't forget about these types of extensions, and use them where it makes sense. Addressing the ad format to specific devices—which you're able to do with Adwords—can also improve your campaign's performance. The same ad on an iPad and on an iPhone may have big differences in appearance and performance, so it's a good idea to keep these factors in mind, and to use different campaigns and ad designs for tablets vs. smartphones. An even better way to go is to use *progressive enhancement* in designing your landing page, so that the same page will work across a wide range of devices and displays (more about this later in the chapter).

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[10] Steve Jobs, "Thoughts on Flash," www.apple.com/hotnews/thoughts-on-flash/

☑ Reduce Load Time

Waiting for a page to load can be frustrating for a visitor, especially if they're in a hurry or getting jostled in the subway station. Keep load times as short as possible. With the advent of the new 4G and LTE wireless networks, load times can be much slower in a 3G service area as opposed to a 4G. Check the wireless network coverage maps for the locations you've selected for your campaign. If your campaign addresses a large geographic region with multiple carriers and network speeds, adjusting for load speed can be a difficult judgment call. Google allows you to select and exclude carriers in setting up your campaigns, and it may well be that they will also allow you to select wireless technology at some point in the future.

☑ Provide a Link to the Desktop Web Page

This can be especially important if you're running the same mobile ad on smartphones and tablets. Even on smartphones, some users may prefer to browse the full web page, so they may appreciate having this option.

Understanding the Mobile Environment

The display footprint of today's smartphones is significantly better than that of the mobile phones of yesteryear, but is still severely limited compared to laptops and desktop monitors. This is the D'oh! factor of the mobile environment. Still… if one has spent hundreds or thousands of hours designing pages that work well on the laptop or desktop, one can't assume they can maintain the "beginner's mind" when it comes to designing for the mobile screen. Tablets, such as the iPad, are a welcome step up from the smartphone but still have their limitations and differences. "Design for thumbs" may no longer pertain, but there's still no mouse.

Finding the Right Keywords for Mobile

How does the design of a mobile AdWords campaign differ from that of a non-mobile campaign? We've already touched on some of these considerations earlier in the chapter in terms of device and behavioral factors, so let's focus on the keyword aspect.

Common sense tells us that users don't normally change their mode of thinking about how they want to search with the intent of a purchase when they pick up their smartphone and dash out of the office to a meeting or to catch a taxi. If they need to order flowers or make a restaurant reservation, they could well enter the same search keywords on their smartphone as they would have on their laptop. But there are some differences, and it's good to be aware of these differences in designing your mobile campaign. These differences could arise primarily because of two factors: 1) they are likely to be on the move and 2) they are using a mobile device with a smaller display. To put it more succinctly, their *search intent* is unlikely to change from when they were sitting at their desktop to when they were riding in the taxi, although this can't always be ruled out. Their *search behavior*, however, is more likely to change because of the altered circumstances.

Using the Keyword Tool for Mobile Keyword Analysis

Let's use an example of setting up a mobile campaign for a coffee store specializing in organic coffee. You'll use the AdWords Keyword Tool to set up a preliminary analysis of search volumes for broad, exact, and phrase matches on the keyword phrase "*organic coffee.*" This will set up baseline data you can use as

a starting point for a more detailed analysis. The primary question you are interested in answering is: How does the average monthly search volume, CPC, and competition compare for the search phrase between desktop and mobile platforms? On the mobile side, you're interested in data for both WAP devices and devices with full browsers. (The latter includes smartphones and tablets, such as the iPad.) Figure 9-7 shows the procedure for setting up the Keyword Tool to display this data for the three possible match types of the keyword phrase "*organic coffee.*"

Figure 9-7. *Setting up the Keyword Tool for keyword analysis and for desktops and laptops*

Let's walk through the setup to run this analysis in the Keyword Tool. To access the tool, bring up your AdWords account in your browser and click the Tools and Analysis tab and select Keyword Tool. Follow the step sequence shown in the figure. To select the Coffee category in step 3, click the Category➤ Food and Groceries ➤ Beverages ➤ Non-Alcoholic Beverages ➤ Coffee. For step 5, expand the "Advanced Options and Filters" section by clicking on the ⊞ plus-sign to the left of the section label (Figure 9-8 shows the expanded section).
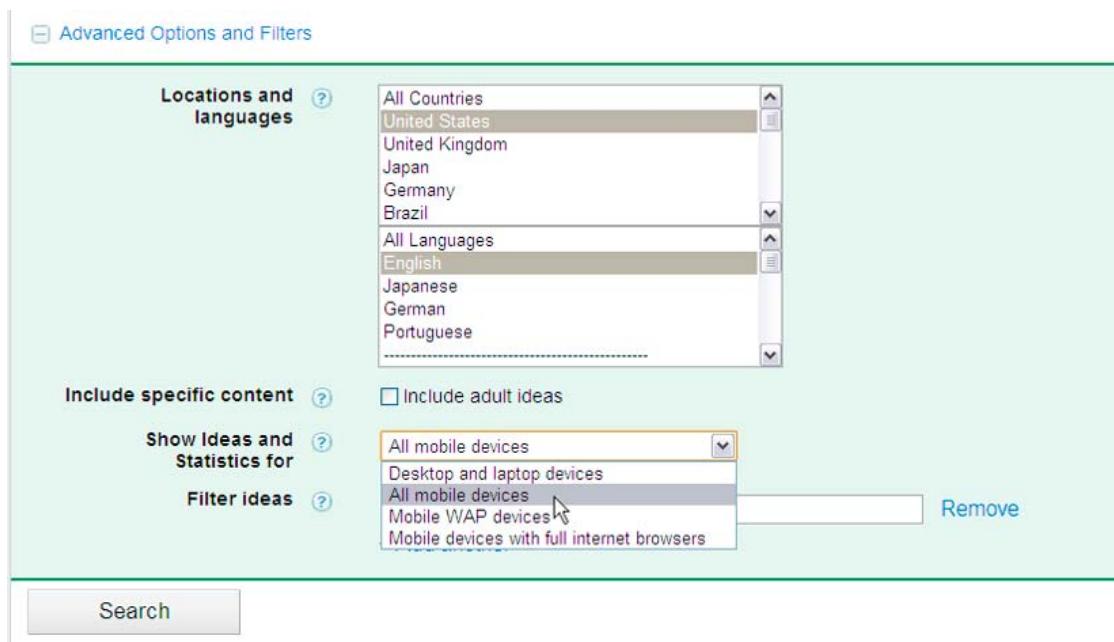
Figure 9-8. Setting the country, language, and device

Select United States as the country, English for the language, and desktops and laptops for devices. These should be the default settings, but you can set them manually if they are different. (Note that you can select only one country—or All Countries— but multiple languages.) Click the Search button to generate the data for the three search terms, shown in the table at the bottom of the pane. To keep things simple for the purpose of this exercise, focus on the [*organic coffee*] exact match data.

The Global Monthly Searches column shows the average monthly search count on Google.com across all countries over the past twelve months. Local Monthly Searches shows the count only for your selected country (United States in this case). Approximate CPC shows the estimated cost-per-click you might pay for the keyword, averaged over all ad positions. Competition shows the relative degree of competition for the keyword you can expect. If you cursor over the values in this column, you will see the competition displayed as a two-decimal value on a scale of 0 to 1, with 0 being no competition to 1 being the highest degree of competition.

So, if you look at the search counts for desktops and laptops and for the [*organic coffee*] exact match, you can see that the number is 2,900 for local (US) searches and 4,400 for global (all countries) searches. This means that local search traffic comprises 66% of global searches. (Google's data will, of course, change over time, so your results may be different.)

If you click the check box for Keyword under "Search terms," or check one or more keywords (see Figure 9-7, top left), the "Estimate search traffic" button will be enabled. Clicking on this and selecting the appropriate campaign and ad group, you will see a window displaying some useful estimated cost data (Figure 9-9).
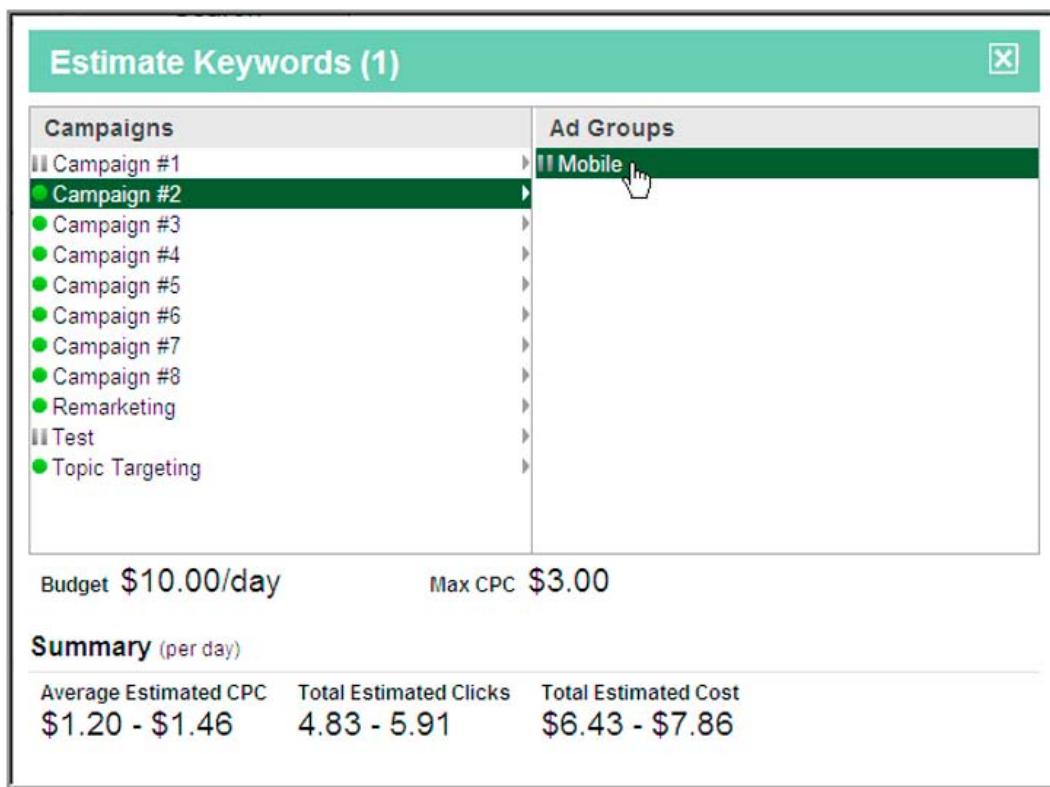
Figure 9-9. Estimated [organic coffee] keyword data for desktops and laptops

Now you have some data for the desktops and laptops platform group to compare with data for the three mobile devices groups: all mobile devices, WAP, and devices with full browsers. Go ahead and generate the data for these three device groups. Go back to the "Advanced Options and Filters" section of the tool (see Figure 9-8, top left), select "All mobile devices" in the "Show ideas and statistics for" drop-down, then click the Search button to generate the data (Figure 9-10).
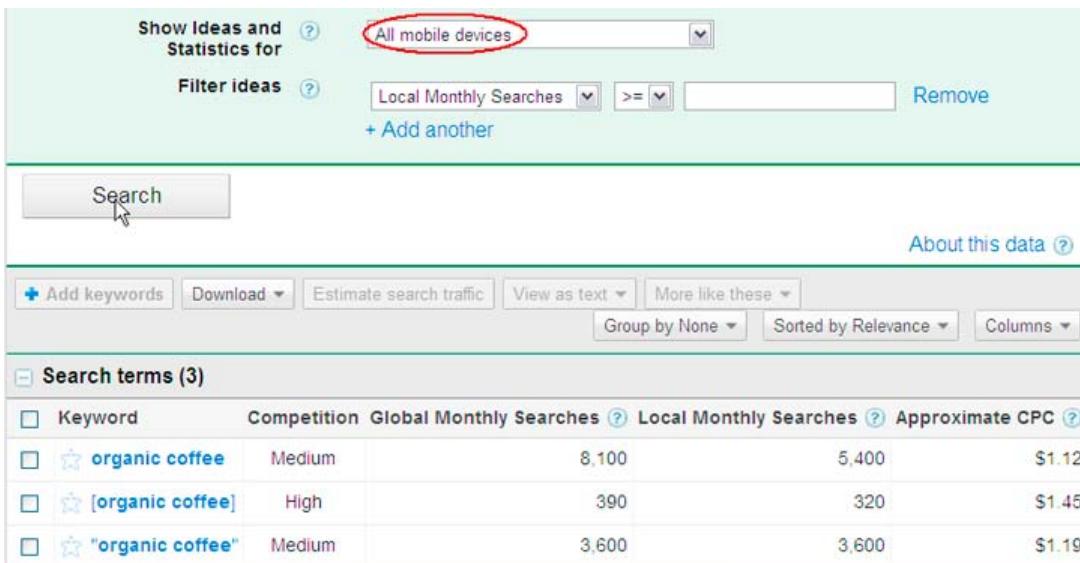
Figure 9-10. Search volume data for all mobile devices

This figure shows a substantially reduced search local monthly search volume for all mobile devices: a count of 320 for the exact match keyword on all mobile devices as opposed to 2,900 on desktops and laptops, or almost a factor of 10 less. But the estimated CPC is $1.45 rather than $2.08. Competition for the exact match is very high (0.93). However, if you click the check box next to the exact-match [*organic coffee*] line in the table, the "Estimate search traffic" button remains disabled. As of this writing, this traffic estimating tool is enabled only for the desktops and laptops group, but not for the mobile groups. This may change soon, since Google is clearly working hard to upgrade its analytics tools to provide better support mobile campaigns.

Next, look at the data for WAP mobile devices. Figure 9-11 shows another drop in the average monthly search volume for the exact-match phrase, to 36, and a big drop in estimated CPC, to $0.10. The competition is now very low: 0.04, which may explain the big reduction in CPC.

Figure 9-11. *Search volume data for mobile WAP devices*

Finally, the data for mobile devices with full browsers is shown in Figure 9-12. Again the competition is very high, 0.97, and the estimated CPC is $1.45.

Figure 9-12. *Search volume and CPC data for mobile devices with full browsers*

To summarize, search traffic counts and CPC for a particular keyphrase can vary considerably between mobile and non-mobile platforms, and between WAP and full-browser devices. The Keyword Tool can provide some rough estimates of how different keywords will perform between mobile and non-mobile, but as of this writing, isn't enabled for providing traffic, CPC, and total cost estimates on mobile platforms. For more details on using the Keyword Tool for researching keywords, please refer back to Chapter 6.

Creating a Mobile Campaign

This section walks you through the procedures for creating a mobile ad. First, we will talk about creating a WAP mobile ad, and in the following section we will cover ad creation for smartphones with full web browsers

WAP Mobile Marketing

WAP stands for Wireless Access Protocol, developed in the mid to late 1990's by the WAP Forum. The protocol is actually a collection of standards aimed at enabling cell phones and PDAs to access the Internet. At the time, these devices had limited power and memory, so the protocol was developed to enable Internet connectivity within these constraints. The cell phones and PDAs used what were called WAP browsers to download and view limited-content web pages. Using WAP, these devices could also do other Internet-related tasks such as download and send e-mail, download music, get news headlines and sports scores, or track stock prices.

WAP browsers (also called *mini-browsers* or *micro-browsers*) have limited features as compared to full-fledged browsers. Full browsers format and render web pages expressed in HTML or XHTML that are transmitted using the HTTP protocol. The early WAP browsers (WAP 1.X) used a markup language called WML (for Wireless Markup Language), which provided navigational support, text and image presentation, hyperlinks, data input, and forms. The newer WAP browsers (WAP 2.0) are able to support XHTML MP (see the "Mobile Markup Languages" section later in this chapter) and PDA-compliant HTML.

While smartphones seem to be taking over the world, there are still a lot of feature phones and other mobile devices that rely on WAP for accessing the Internet. Google allows you to set up and run WAP mobile ads for WAP browsers. These are either mobile text ads or image ads. Your ads can appear on Google Mobile Web Search (a search service started by Google in 2005 to provide search geared specifically to mobile devices), the Google Mobile Search Network, and the Google Mobile Display Network. These Google networks are similar to the Search and Display Networks discussed in Chapter 1, except that they are specific to the mobile network. WAP ads will also support click-to-call.

WAP mobile ads are eligible to show on any device, meaning these ads can display on smartphones as well as WAP phones. Some inherent restrictions apply, of course: text ads are limited to fewer characters than standard text ads support; and each ad must land on a mobile landing page rather than a standard web page. Google also has a set of defined policies for WAP mobile ads which concern ad sizes, aspect ratios for image ads, character limits for headlines and descriptions, and display URLs for text ads. (These policies are defined under "Mobile ads requirements," a section under Advertising Policies on the support.google.com web site[11].)

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[11]

http://support.google.com/adwordspolicy/bin/static.py?hl=en&topic=1310862&guide=1308145&page=guide.cs&answer=176117&rd=1, accessed March 2, 2012.

Setting Up a WAP Mobile Ad in Adwords

To create a WAP mobile ad in Adwords, bring up your Adwords account in your browser and click the Campaigns tab (Figure 9-13). Create a new campaign or use an existing campaign if you want to set up a mobile ad group within that campaign. Create a mobile ad group within the campaign, and name the ad group "Mobile" or something that makes sense within the context of your campaign.

With the ad group displayed, click the "New ad" drop-down at the far left, immediately under the graph pane, and select "WAP mobile ad" (highlighted with an ellipse in Figure 9-13).
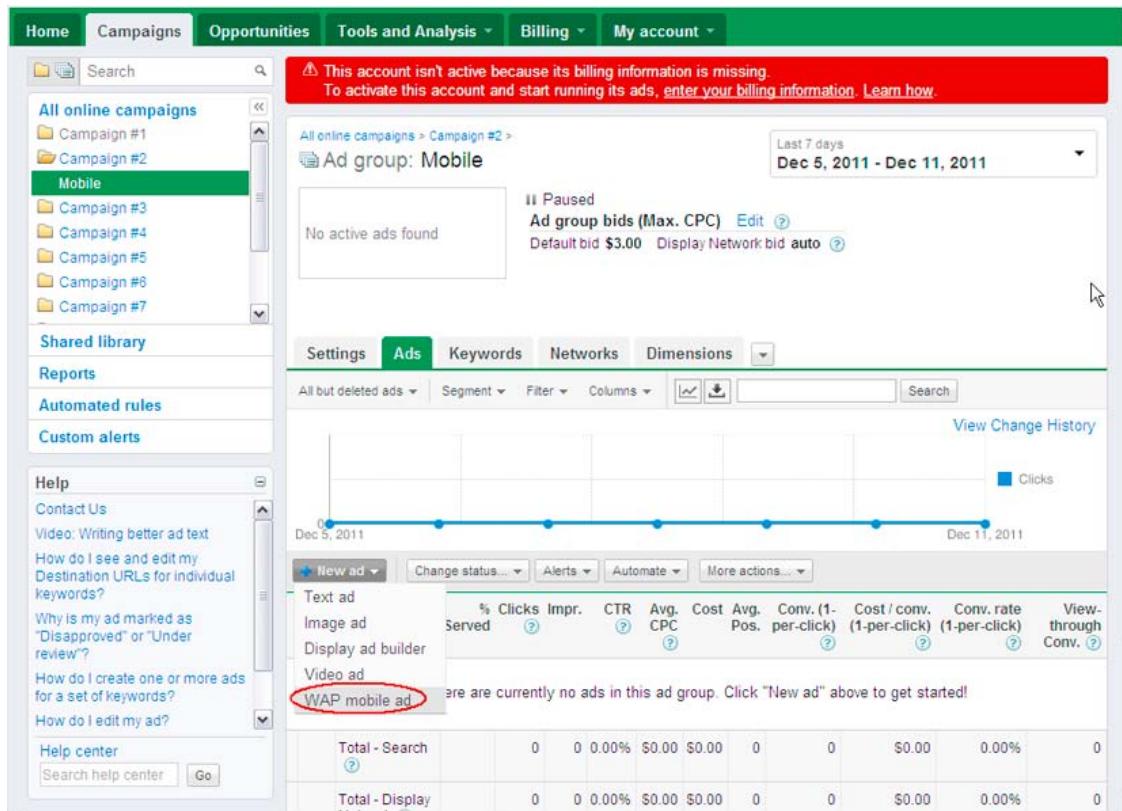
Figure 9-13. *Setting up to create a WAP mobile ad in AdWords*

Setting Up a WAP Mobile Text Ad

This will bring up the settings pane for the new ad, similar to that shown in Figure 9-14. Select the radio button for the type of WAP ad you're creating; in this case we will walk through creating a text ad. The figure shows the settings with two settings categories expanded: markup language and advanced targeting.
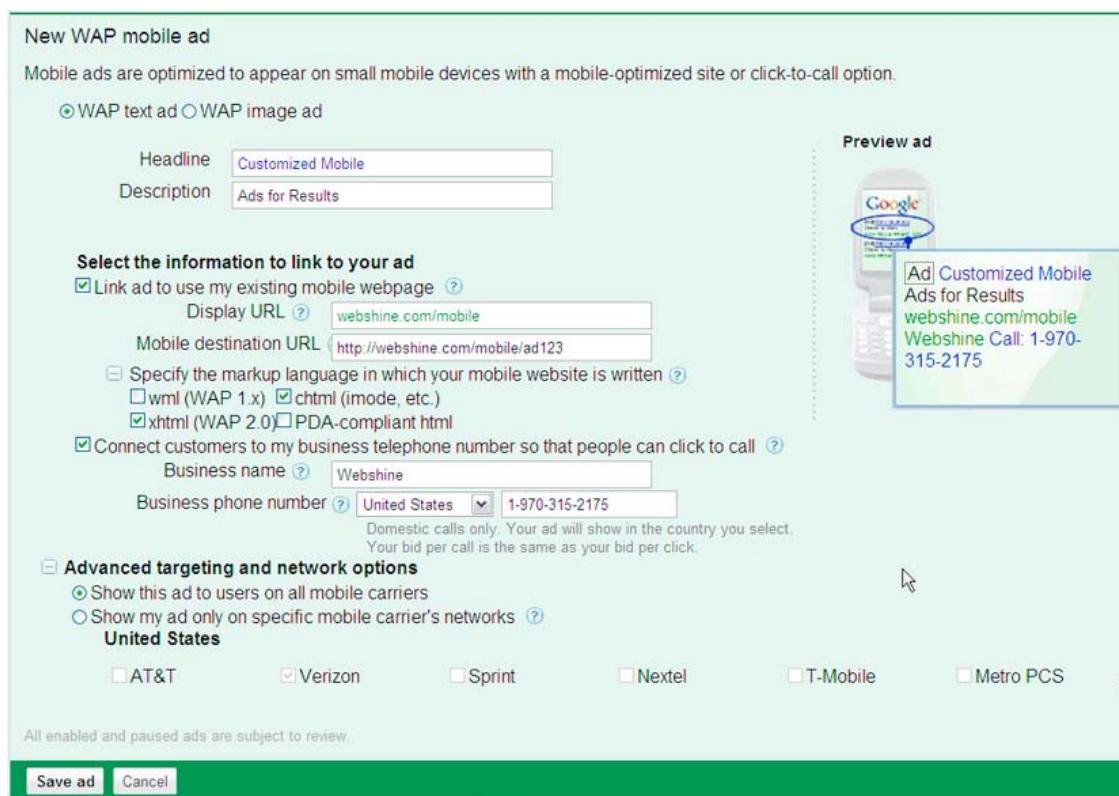
Figure 9-14. *Adwords settings panel for creating a WAP mobile text ad*

Let's walk through each part of this settings pane.

- **WAP text ad vs. WAP image ad:** This allows you to specify which type of WAP ad you want to create. The pane changes according to which type you select, so you can enter the settings information appropriate to the type of ad you've selected. Figure 9-14 shows the configuration for text ad settings, but we will also talk about the configuration for image ads when we get to Figure 9-18.

- **Headline and Description:** This is where you enter the text for the first two lines of your ad. Note that a Preview ad is shown at the upper right of the panel with the headline and description lines showing as you've typed them. The heading and description can be two separate messages, or the description line can be used as a continuation of the heading line. Both lines have a character limit of 20, so it may take some careful thinking to get the most impact in a very short message.

- **Select the information to link to your ad:** This is where you "define what happens" if the visitor clicks through, specify the markup language for your mobile web site, and Click-to-Call info if you use that extension.

- **Link ad to use my existing mobile web page:** Google doesn't require you to have a mobile web page. If you don't have one, you have the option of leaving this unchecked and checking the next box to use click-to-call. Once you have a mobile page, you can go back and check this box to activate your mobile webpage for the ad. Figure 9-15 shows the configuration for a click-to-call only ad with the preview ad shown on the right. If you check the "Link ad" box, enter the display URL. Again, this is limited to 20 characters. If you need the space, you can leave off the "http://" prefix, but the extension (i.e., .com or .net) is required and included in the 20-character limit.

Figure 9-15. Click-to-call WAP mobile ad setup with preview ad shown

- **Specify the markup language in which your mobile web site is written:** Google requires your mobile web site to be built in one of four markup languages they accept: WML (WAP 1.2), XHTML (WAP 2.0), PDA-compliant HTML, and C-HTML. The last, C-HTML (for Compact HyperText Markup Language, sometimes called i-mode-HTML), is normally used with i-mode, the WAP equivalent used in Japan. If you leave this setting alone, it defaults to XHTML and CHTML. If you're not running ads in Japan or another venue where i-mode is available, there's no need to have a CHTML mobile ad page so this markup language setting can be turned off.

- **Connect customers to my business telephone number so that people can click-to-call:** If you want to use click-to-call, check this setting and enter your business name and business phone number. Again, the business name is limited to 20 characters. Select the country in which your business or call center is located from the drop-down, and enter the phone number you want to use for customer inquiries generated by click-to-call. Google requires your business phone be domestic to the location your ads target, toll numbers (e.g., 900-) are not allowed. Include the national direct dialing (NDD) prefix (1- in the US), but not the country code.

- **Advanced targeting and network options:** If you expand this option (see lower part of Figure 9-14), you can select which wireless carrier networks your ads will show on. In most cases, you can leave the "show on all carriers" button selected. If there are circumstances where you don't want your ad to appear on one or more networks, simply check the "show my ad only…" check box and select the carriers you want to use. If you have questions about any of the settings, some of them have a ⑦ question-mark icon next to them. Click on this for some assistance in how to use the setting in question and information on any restrictions.

Once your setup is completed, be sure to check the preview ad shown on the right side of the setup panel (see Figure 9-16). If this looks good, click the "Save ad" button on the bottom of the page

Preview ad

Figure 9-16. Preview WAP mobile ad after setup

Figure 9-17 shows the AdWords page for the Mobile ad group after you've saved the ad. If you cursor over the cell for the new ad in the Ad column on the left of the table, a pencil icon appears. You can click this to return to the settings page for the ad and edit the settings. However, Google warns: "Your new entry will replace the existing ad. Statistics will reset to zero for the new ad. Statistics for the old ad will be moved to the 'Edited and deleted ads' row." (See Figure 9-20.) So editing the settings for the ad essentially results in a reset of all of the reporting statistics for the ad.

Once you activate your ad and it starts running, AdWords will collect data for the account, including click-throughs. The chart immediately under the Ads tab in the figure will display your performance data over the date range you select. This date range is shown in the upper right corner of the page. We talk more about reviewing this data, and optimizing your campaigns, in Chapter 11.

Figure 9-17. New WAP mobile ad displayed in the Mobile ad group of the AdWords campaign page

Setting Up a WAP Mobile Display Ad

The other option for setting up a WAP mobile ad is to set up an image, or display, ad. If, on the new WAP mobile ad settings page, you click the radio button for "WAP image ad," the layout of the page will change to that shown in Figure 9-18. The lower part of the page will have the same settings you saw in the setup for the WAP mobile text ad (see Figure 9-14). Rather than entering a headline and description, you can now choose an image file to display in the ad. If you click the "Choose file" button, you can browse to and select the image file you would like to use. The rest of the settings are set up in exactly the same way as described in the section on creating a WAP mobile text ad.
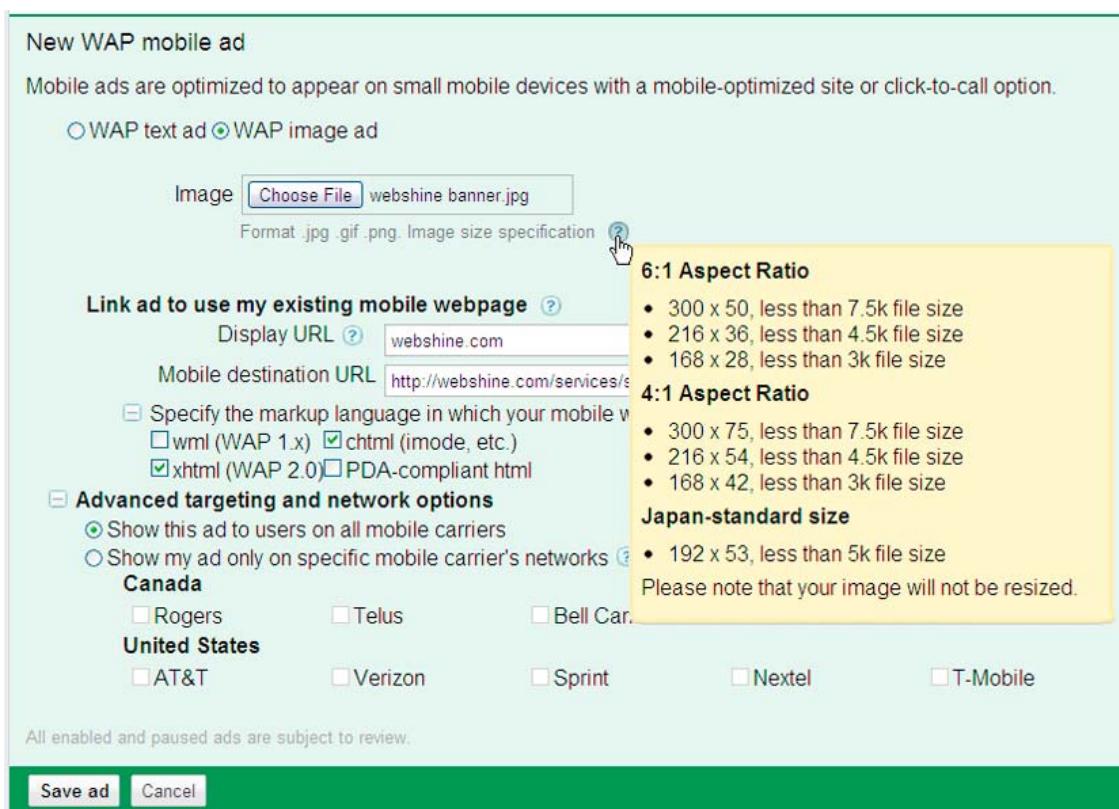
Figure 9-18. Settings page for a new WAP image ad, showing acceptable aspect ratios

In Figure 9-18, you can see what happens when you click the ⓘ question-mark help icon: it brings up a help panel—in this case, one that lists Google's acceptable ratios and file size limitations for the images. If the image file you're planning to use doesn't conform to these requirements, you can use an image editing tool to crop or otherwise configure the image so that it meets these requirements. Otherwise, you will get an "Image file too large" or "Incorrect image layout" error when you try to save the ad settings.

■ **Note** If you've configured your image to comply with Google's requirements, but you still get an "Incorrect image layout" error, try adding a 1-pixel border around the image. A high proportion of white space in the image can cause this problem.

Click on the "Save ad" button, and you should see the new ad, with the display image, shown in the AdWords ads listing table (Figure 9-19).

Figure 9-19. New WAP mobile image ad shown in the ads list after saving

You can test your ad immediately from the AdWords page by clicking on the image in the Ad column. This should take you to your designated landing page. (You can test the text ad in the same way.)

As with the text ad, the pencil icon indicates you can edit the ad, but here again you're warned that the statistics for the ad will be reset to zero if its settings are changed (Figure 9-20).
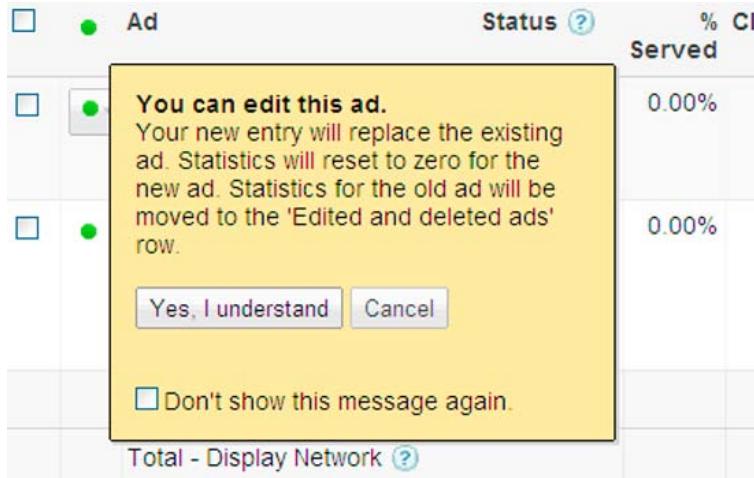
Figure 9-20. Warning that changing the ad settings will reset statistics

If you click the "Yes, I understand" button, you will be taken to the settings page for the ad. Once the ad has been set up and saved, the image is uploaded to Google's ad server and displayed both on the AdWords page (see Figure 9-19) and on the setup page for the ad (Figure 9-21).
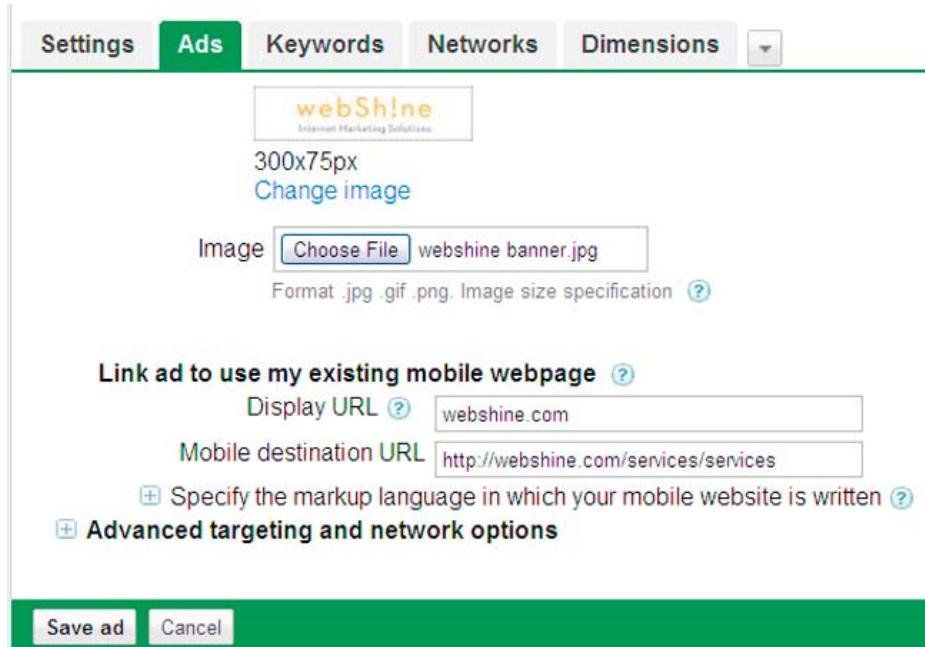
Figure 9-21. Settings page for the saved image ad

Creating Mobile Friendly Landing Pages

Smartphones have full web browsers. This means a normal HTML web page should be readable on a smartphone—theoretically. In some cases, this may work, especially if the page is clean and simple and doesn't have any big images on it.

Figure 9-22 shows before and after images of a standard desktop landing page converted to a mobile landing page. As you can see, the desktop version of the page doesn't work very well on a smartphone display. The mobile page shown on the left is usable with a multi-touch zoom-in, but only if the user is very determined. The page shown on the right is clearly more user friendly and will result in a much better conversion rate with mobile users. It has a friendlier look and feel to it, with two clear calls to action (a click-to-call and an e-mail button) and two buttons to get more information.

You can often start from a desktop web page and reuse an image (as in this example) and/or content to create something that works on a mobile platform. Getting from a desktop web page to a mobile web page is necessarily a process of simplification rather than elaboration. There are tools for building mobile pages—starting from pages built for desktop browser—that one can use without having to get up a steep learning curve.
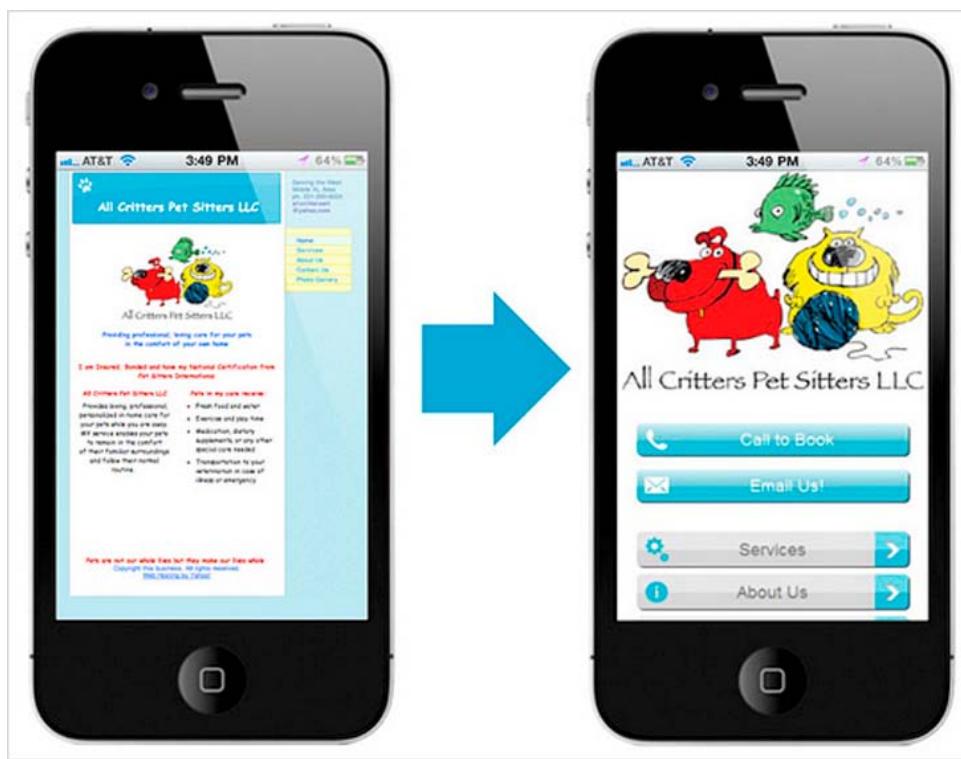
Figure 9-22. Before and after of a desktop-to-mobile web page conversion

Mobile First and Mobile Last

Once you've made the decision to undertake a mobile campaign, you have two options as far as creating your mobile landing page: we call these options Mobile First and Mobile Last. Let's assume that you don't yet have a mobile AdWords campaign running. If that's the case, you may or may not have a desktop campaign running. As we've recommended in other parts of this book, you should have separate but equivalent (in terms of goals) mobile and desktop campaigns working in tandem.

There may be situations where a mobile-only or desktop-only campaign makes sense, but again for the sake of argument, we'll assume that you will ultimately have separate campaigns for each platform. With HTML5 (discussed soon) and CSS3, it's often possible to create your landing page in a way that it will work on mobile devices (smartphones and tablets) as well as desktops without having to create two separate web page versions, one for mobile and one for desktop. To summarize, here's how we recommend configuring things:

- Two separately created and configured AdWords campaigns addressing the same product or service goals, but separate platforms: one for mobile and one for desktop.

- A single HTML5/CSS3 content base for these campaigns that works across all platforms: smartphones, tablets, desktops, and connected devices.

"Mobile First" may already be a familiar phrase to you since it's been around awhile. Essentially, it's an exhortation to go to the mobile platform first, then the desktop, rather than doing things the other way around.

Mobile First

If you don't already have an existing desktop campaign underway, then you're in an excellent position to use the Mobile First approach. A few years ago, we probably would have taken the approach of developing the desktop campaign first and then adapting the desktop content to a mobile campaign, more or less as an afterthought. Usually, you're better off developing the mobile campaign first, then adapting the content of the mobile campaign to the full browser through a web page design process called *progressive enhancement* (more about this later).

Even if you already have a desktop campaign, an argument can be made for starting from the ground up with a mobile campaign, then using this as the foundation for building a desktop campaign once the mobile effort is on the air.

Mobile Last

If you do have an existing AdWords desktop campaign, you can always adapt the web content of this campaign to a mobile campaign—we call this the Mobile Last approach. This is largely a matter of adapting existing content to mobile platforms.

We delve into these two approaches in the following sections. Some of this is a bit more on the technical side, so if you're unfamiliar with the ins and outs of web development, don't be reluctant to skip this material on first reading. You can always come back to it later on.

Mobile Markup Languages Before HTML5

Content-wise, the Web is built through markup languages, primarily HTML (short for HyperText Markup Language). But there are many other markup languages in use throughout the Web. (You know it's a markup language if it ends in "ML".) HTML is an application of SGML (Standard Generalized Markup Language). SGML is big and complex, based on IBM's GML, developed in the 1960s. It has little to do with the Web, and you should never have to worry about it (unless you're an SGML specialist). HTML is small and simple (at least by comparison), and it's used to build web pages, which consist of content (the stuff you see on a web page) with markup tags mixed in (the stuff you don't see, but which gets the stuff you see in the right place and format). The markup tags tell the browser how to render the webpage and provide internal or external links.

Just to touch on the communication side of things, web servers send web pages over the Internet to client browsers using HTTP (Hypertext Transfer Protocol). This is a two-way street, because web servers and clients are constantly talking to each other.

We're all familiar with the use of web browsers—like Google Chrome, Firefox, and IE—to display our web pages on desktop and laptop displays. Both browsers and the HTML language have become more complex over the years, as web pages have grown more elaborate and as the processing power and speed of our computers have increased.

Mobile devices have traditionally been resource-constrained as compared to desktop computers, largely because of the limited power, processing, and memory capabilities of these devices, but also because of the limited bandwidths (speed) of wireless networks. Mobile web developers had to use mobile browsers and markup dialects that could work reasonably well under these constraints. But just as traditional computers and networks have grown in their capabilities and speed over the years, so have

wireless devices and networks. Enhancements to markup languages used with mobile devices have also accrued over the years.

Here's a quick description of the more widely used mobile markup languages:

- **WML**: Wireless Markup Language, used for the earlier WAP browsers or "user agents." WML 1.1 was released by the WAP Forum in 1998. The current version is 1.3. It's an older standard supported by many of the early mobile browsers and is still widely used in some markets. An XML-based language, it provides much of the same functionality as HTML: navigational support, data input, hyperlinks, text and image presentation, and forms.

- **XHTML:** Short for extensible HTML, this is a reformulation of HTML4 to be an application of XML, or an XML mirror of HTML. As the name implies, it was developed to make HTML more extensible and to increase its interoperability across a range of data formats. One of the intended advantages of XHTML was that, through the use of "Extensible Stylesheet Language Templates," an XHTML document could be transformed into WML or some other mobile markup language. Another very useful feature of the language is modularization (implemented in version 1.1), whereby the language is organized into logical groups of attributes and elements dealing with specific functions, such as lists, text, scripting, etc.

  Since XHTML is a derivation of XML, documents are required to be *well-formed* (since XML is strict about this, unlike HTML), which means they must satisfy a list of syntax rules provided in the XML specification. It also means it's a good idea to validate XHTML documents using a validation checker. Two dialects of XHTML 1.1 were developed for mobile devices:

  - **XHTML Basic**: This is a subset of XHTML 1.1, intended to replace WML and cHTML (see below). It incorporates a reduced module set supporting navigation, hyperlinks, data input, text and image presentation, and forms. A big advantage of XHTML Basic over WML and cHTML is that pages can be rendered on standard desktop browsers and mobile browsers without the need for separate versions of the page.

  - **XHTML Mobile Profile (XHTML-MP):** This is an XHTML document type defined by the Open Mobile Alliance and is a derivation of XHTML Basic 1.0. It's the markup language used in WAP 2.0, rather than WML. In July 2008, XHTML Basic 1.1 became a W3C (World Wide Web Consortium) Recommendation, superseding XHTML-MP 1.2. XHTML Basic and XHTML-MP are almost identical subsets of HTML and are used globally but particularly in North America and Europe.

- **cHTML:** Short for Compact Hypertext Markup Language, this markup is used primarily in Japan but also in some parts of Europe. It's also called i-mode HTML. A subset of HTML, it also includes several features not included in standard HTML that are specific to older cell phone designs. It's limited to monochrome displays and doesn't support tables, multiple fonts, image maps, frames, or style sheets.

Figure 9-23 shows a timeline for the evolution of mobile web-related markup languages up to 2007. It doesn't include HTML5, which we cover in the next section.
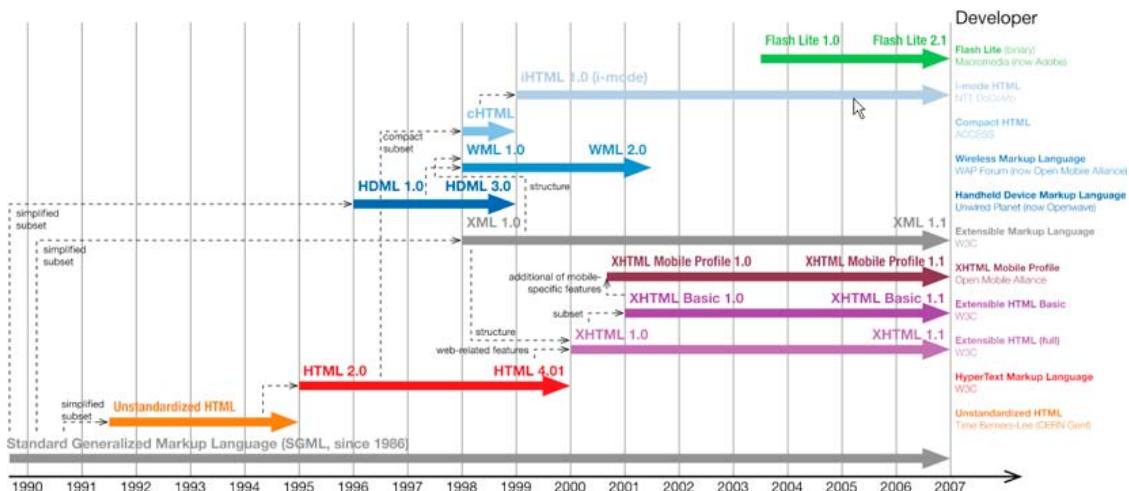
Figure 9-23. The mobile web-related markup languages timeline (excluding HTML5)

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HTML5

HTML5 is the latest version of HTML—the next step beyond HTML4—and it's a big deal. Many web designers and developers consider it "the most promising advance in web technology in a generation"—maybe since the advent of Netscape Navigator in 1994. It has many features designed to support high-end smartphones and other mobile devices. Used in tandem with CSS3 and JavaScript, it offers impressive development power and amenities that, under HTML4, could only be provided through plug-ins, APIs, and other external facilities[12].

Before the advent of HTML5 around 2009, mobile browser technology relied on a mix of WML, XHTML-MP and HTML4, and often proprietary browser and device APIs. This made the development of web pages and web apps that were usable across the widening spectrum of device capabilities a difficult and costly proposition. There was a wide range in the CPU and power capabilities of phones and connected devices. Because users were on the move, coverage and bandwidth could be unreliable or could drop out altogether. The technology base didn't provide adequate tools for handling these situations.

HTML5 supports a portfolio of advanced features that was hard to imagine just a few years ago, and it enables the development of mobile browsers and mobile web apps that can support rich user experiences. Much more than a markup language for rendering web documents in a browser, it has become a language for developing rich web and mobile applications. Using HTML5 with CSS3 and JavaScript allows mobile developers to use a "write once, use everywhere" development model for

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[12] On January 19, 2011, the Web Hypertext Application Technology Working Group (WHATWG) announced it was moving to a "living standard" model and dropping the version number 5, along with the HTML5 logo. In other words, it's renaming HTML5 back to HTML. Because of the seeming tenacity of the HTML5 designation since this announcement, and to avoid confusion for the time being, we'll stick with nomenclature of the moment: HTML5. See `http://blog.whatwg.org/html-is-the-new-html5`.

creating web sites and mobile apps that are interoperable across a wide spectrum of devices and operating systems. It continues to be a work in progress, with the target date to have the full specification (called the "Recommendation") in place set for 2014[13].

Every web browser has a *rendering engine* (sometimes called a *layout engine*) as its central component. The layout engine used in Safari mobile and desktop browsers embedded in iOS and Mac OS, Google Chrome, the Android mobile browser, and the Symbian S60 browser (Nokia) is called WebKit. The WebKit engine was written using HTML5 and supports many of the features in the HTML5 spec.

While we don't have the space for a detailed discussion of all the mobile-related capabilities and features provided by HTML5, we provide a brief list here. Many of these capabilities are not limited to mobile devices, but the features we list here certainly come into play in the mobile environment[14].

GeoLocation API

This API allows the device to send its location (latitude and longitude) to trusted web sites. User permission is required to do this, but when enabled, it allows the server to perform impressive geolocation-based services, such as reporting the nearest French restaurant or the nearest subway stop—or even the nearest friends in real time. Although often included in lists of HTML5 mobile features, the GeoLocation API is actually not part of the HTML5 spec. Even so, it's becoming an important component of high-end smartphones, and for this reason geolocation and HTML5 are perceived as closely linked capabilities for high-end mobile devices.

Offline Support

As we all know, the wireless connectivity of mobile devices can be unreliable: coverage can be spotty in certain areas, or you may have to shut down your smartphone halfway through completing a form or some other important task on a mobile app as your flight is preparing to leave the gate. Normally, this situation would lead to lost work or lost data.

Users would be much happier if mobile web apps or web pages remained accessible and usable while their device is offline. HTML5 provides this capability through a memory caching feature called the ApplicationCache, or AppCache. This is a bit like cookies on steroids, except more powerful! This provides three major advantages to mobile users (as well as to mobile developers and businesses with mobile web sites).

- **Offline Browsing**: Users are able to navigate your full web site (or a subset of your site, depending on how the AppCache is configured) while they're offline.

- **Speed**: Cached resources are local and therefore load much faster than if they had to be reloaded from the server. This makes web pages or apps configured with AppCache much snappier, once the cache is established.

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[13] W3C Press Release, "W3C Confirms May 2011 for HTML5 Last Call, Targets 2014 for HTML5 Standard," `www.w3.org/2011/02/htmlwg-pr.html`

[14] An excellent demonstration of some important HTML5 capabilities is provided by Apple's HTML5 demo page: `www.apple.com/html5/` (accessed February 26, 2012).

- **Reduced Server Load**: The browser or app will download only resources that have changed or need updating from the server. In a large city, with many people using a site, this can help reduce server load significantly.

The size of an AppCache is, of course, memory constrained, so it isn't feasible to use it for storing heavyweight resources such as HD videos or very large databases (but see the next section). This limit is typically 5MB, but can be bumped up to 25 MB at the discretion of the user.

Setting up an app or web site for AppCache offline support is relatively straightforward and involves three steps[15].

- Creating an online cache manifest file to enumerate all resources that need caching.

- Telling the browser to enable offline caching and where to find the manifest file. This is done with an HTML document.

- Setting the MIME type of the file on the server (usually this will be set to `text/cache-manifest`).

Indexed Database API

Usually called IndexedDB for short, this specification[16] provides the capability for mobile and desktop browsers to maintain a local indexed database for the purpose of storing key-value records, where the values can be hierarchical objects. The API supports both synchronous and asynchronous calls to the database. It can be used for web-based applications such as bookmarks or e-mail clients. As of this writing, the only browsers supporting this capability are Chrome (version 14.0 and above), Firefox (version 7.0 and above), and IE (version 10.0, forthcoming). Chrome uses the WebKit rendering engine, as do Safari, Safari iOS, Opera, and Android. However these latter browsers don't yet support IndexedDB.

Canvas Drawing

This capability allows a rectangular canvas to be defined in a part of the screen, where dynamic scriptable rendering can be used to draw 2D and bitmapped images. The canvas is defined in HTML with width and height attributes. JavaScript code can access the canvas using a set of drawing functions that allow dynamic graphics that can be used to create animations, graphs, game interfaces, and composed images.

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[15] For an excellent tutorial of setting up offline support for your web site or app, see "Creating mobile Web applications with HTML 5, Part 3: Make mobile Web applications work offline with HTML 5," IBM Developer Works, `www.ibm.com/developerworks/library/x-html5mobile3/index.html`, June 29, 2010.

[16] W3C, "Indexed Database API: W3C Working Draft 06 December 2011," `www.w3.org/TR/IndexedDB/`

Audio and Video Streaming Support

The big advantage of HTML5 for rich media content is that no browser plug-in is required. However, as of Q1 2012, implementation and support of media streaming on mobile devices with HTML5 has developed slowly. Commercial web sites incorporating rich media still have a very high investment in Flash, and in some cases Silverlight, for media streaming. The majority of these sites have yet to move to HTML5 for rich media content.

In November 2011, however, Adobe announced that it's ending development of the mobile Flash Player, and Microsoft is ending further work on its Silverlight plug-in[17]. It would appear the mobile world is moving rapidly in the direction of HTML5 to support rich media, while the desktop world will continue to rely on Flash for a longer period.

As of Q1 2012, HTML5 doesn't provide all of the capabilities of Flash, but this could change over the next couple of years. In mid-2010 Google rewrote the YouTube mobile site entirely in HTML5, and YouTube's HTML5 video player now runs on all of the major browsers, including Firefox 4, Chrome, IE 9, Safari, and Opera 10.6[18]. Even Revision 3, the web-based streaming TV site, has dropped its Flash player and moved to an HTML5 player.

Advanced Forms

This capability extends the features of standard HTML forms by providing a wide range of functionality previously missing: things like data validation, better focusing and flow control, client-side form validation, e-mail support, etc. If server-side validation can be eliminated, this makes user interaction with the form more snappy; it also eliminates the need for downloading JavaScript validation code from the server and round-trip client/server exchanges to complete the validation process[19].

Mobile Web Development

Now that we've covered the ins and outs of markup languages and HTML5, let's talk about some of the considerations involved in web development for the mobile platform. Since this is a book on using AdWords in online advertising, and we are talking specifically about mobile advertising in this chapter, we will address the subject of mobile web development not so much from the perspective of the developer, but more from that of the business owner who wants to understand the technical aspects involved in mobile marketing.

Earlier in this chapter, we mentioned the *descriptive* terms "Mobile First" and "Mobile Last." Just to reiterate, Mobile First is the approach that some businesses—with forethought or lack of forethought—take in developing their online presence: they create their mobile web pages first before developing a desktop site. Mobile Last is the reverse process: desktop first; then the mobile campaign builds on the desktop content and strategy, or is simply put off to the future.

These terms can also be used in the *prescriptive* sense: "You *should* do Mobile First for the reason that…." or "You *should* do Mobile Last because…." You can make an argument for either side. Desktops

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[17] Technology Review, "HTML5 Triumphant: Silverlight, Flash Discontinuing," www.technologyreview.com/blog/mimssbits/27328/, November 9, 2011.

[18] Geek.com, "Goodbye Flash: YouTube mobile goes HTML5 on iPhone and Android," www.geek.com/articles/mobile/goodbye-flash-youtube-mobile-goes-html5-on-iphone-and-android-2010079/, July 9, 2010.

[19] For a full description of HTML5 form capabilities, see: http://www.w3.org/TR/html5/forms.html

are a bigger audience. Mobile campaigns are growing faster and have higher click-through rates, especially in relation to proximity. Every business is different, and there are certainly some kinds of businesses where a desktop-only campaign may make perfect sense.

The point we are trying to make here is that there is no pat answer that can be applied across the board. You may be an established business that has a mature and well-tuned desktop campaign but is considering a move into the mobile arena. In this case, you're looking at a Mobile Last push. Or you may be a startup weighing the options, with no desktop *or* mobile presence. In this case, you have the option of taking either fork in the road.

Google argues for Mobile First[20], and there is certainly a movement within the web development community arguing in favor of this approach[21]. If you're a small business, whether it makes strategic sense to go with the Mobile First approach depends on a lot of factors: what kind of business you're in, your competitive environment, your resources, etc. If you've done the analysis and you know it makes sense in terms of your business model to have both a mobile and desktop presence, we feel it makes sense to go with a Mobile First approach. Creating a mobile web presence is more complex than creating a desktop presence because of the diversity of the client hardware. You have a much more diverse matrix of technology on the mobile side than on the desktop side, so developing a presence in this environment requires an approach that is inherently more complex. You have to consider how your site is going to work with touch devices ranging from the latest version of the iPad to older full-browser cell phones, and then throw in considerations such as geolocation and HTML5 facilities that don't come into play on desktops.

Addressing the mobile environment in a way that is sustainable over the long term points to the use of HTML5/CSS3/JavaScript. In the case of the desktop, it's much easier to get by with more traditional web technologies. Addressing Mobile First requires a kind of distillation of your priorities and web content design that wouldn't necessarily occur if you went with a desktop first approach. In terms of quality, the transition from developing a mobile site/campaign to a desktop site/campaign is easier and more natural, because questions and problems that a Mobile First effort compels you to address have been taken care of by the time you're ready for the desktop phase. It's much easier to enhance a clean and simple mobile page that's been distilled to its essence than it is to strip down a desktop page so that it works well on a smartphone. Hence, the term *progressive enhancement*. (If you're a rock climber, a good metaphor might be "up-climbing is a lot easier than down-climbing.") Putting it as simply as possible, going from mobile to desktop is a more fluid and natural transition than going from desktop to mobile.

There are two design philosophies to be aware of in developing a mobile campaign: *progressive enhancement* and *responsive design*. While a comprehensive discussion of these approaches is beyond the scope of this book, we will review the highlights here and point to a few resources for those who are interested in digging deeper.

Progressive Enhancement

Progressive enhancement (PE) is a web design practice and philosophy that aims at making content and functionality work across all levels of devices with browsers—from older low-end connected devices (i.e., WAP PDAs) and cell phones, to higher end smartphones and tablets, to multi-core laptops and desktops—while being able to draw on the capabilities each device provides.

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[20] Google Mobile Blog, "Barcelona: Mobile First,"
http://googlemobile.blogspot.com/2010/02/barcelona-mobile-first.html, February 25, 2010.
[21] Luke Wroblewski, *Mobile First* (A Book Apart, October 2011),
www.lukew.com/resources/mobile_first.asp

PE uses a layered approach for designing and creating the web site, starting from a layer that provides basic content and functionality to everyone (text), and building more sophisticated layers with richer content and functionality on top of this bottom layer. The implementation of this layered approach is usually accomplished through the use of semantic HTML[22], accessibility features and standards, external style sheets (CSS or CSS3), and scripting technologies such as JavaScript. A central concept of PE is the separation or "loose coupling" of content and presentation. If this principle is maintained in the design and implementation process, it's much easier to adapt content of a page to the capabilities of a wide range of devices. This is a good example of the "separation of concerns" principle in computer science.

Here are the core principles of PE[23]:

- Basic content should be accessible to all web browsers.

- Basic functionality should be accessible to all web browsers.

- Sparse, semantic markup contains all content.

- Enhanced layout is provided by externally linked CSS.

- End-user web browser preferences are respected.

- Enhanced behavior is provided by *unobtrusive JavaScript*, linked externally. Unobtrusive JavaScript is a design philosophy for the use of JavaScript in web pages that incorporates three principles [24].

  - Separation of behavior or functionality (the behavior layer) from the web pages content or presentation (the semantic layer)[25]. This goes back to the "separation of concerns" concept mentioned earlier.

  - Use of best practices to avoid the problems associated with traditional methods of JavaScript programming, such as hacks associated with browser inconsistencies and lack of scalability.

  - Capability detection of user agents (browsers, e-mail clients, etc.) in order to support those that don't have advanced JavaScript functionality. This is actually an important component of progressive enhancement.

Closely related to PE is a technique called *content adaptation*[26], which means transforming content to the capabilities of the device, principally the screen characteristics, such as size, aspect ratio, and resolution. *Device independence* is another important concept; it gets into subjects such as hardware abstraction layers, virtualization, and emulation. This is a subject somewhat removed from the immediate concerns and techniques of PE, but it's something to know. The World Wide Web

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[22] See the Wikipedia article "Semantic HTML" at `http://en.wikipedia.org/wiki/Semantic_HTML`

[23] "Progressive Enhancement," Wikipedia: `http://en.wikipedia.org/wiki/Progressive_enhancement`. An excellent reference is Aaron Gustufson's *Adaptive Web Design: Crafting Rich Experience with Progressive Enhancement* (Easy Riders, 2011).

[24] See the Wikipedia article on Unobtrusive JavaScript for a good overview.

[25] Adobe Labs, "Separating Behavior from Structure," `http://labs.adobe.com/technologies/spry/articles/best_practices/separating_behavior.html`

[26] W3C, "Device Independence and Content Adaptation," `www.w3.org/standards/webofdevices/independence`

Consortium (W3C, the primary international standards organization for creating and maintaining World Wide Web standards) has set up a Device Independence Working Group[27].

Responsive Web Design

Responsive Web Design (RWD) is another way of achieving a "write once, use everywhere" (i.e., Mobile First) approach to web development, but it takes a somewhat different approach compared to progressive enhancement. This technique centers on using CSS3 media queries[28] to adapt the page layout to the screen size, resolution, and orientation of the device. Ethan Marcotte, who originally developed the RWD concept, summed up his approach this way: "Fluid Grids, Flexible Images, and Media Queries are the three technical ingredients of Responsive Web Design." We won't go into the details of RWD, as this would require many more pages than we have available here. It is technically more involved than progressive enhancement. The best source for getting up to speed with this technique is Ethan's book, *Responsive Web Design*[29].

Mobile Analytics

Google provides two standard reports relating to mobile users: an Overview Report and a Devices Report. To access these reports, in the AdWords interface navigate to Tools and Analysis ➤Google Analytics ➤ Standard Reporting ➤ Audience ➤ Mobile (Figure 9-24).

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[27] `www.w3.org/2001/di/`
[28] "W3C, Media Queries, W3C Candidate Recommendation," `www.w3.org/TR/css3-mediaqueries/`
[29] Ethan Marcotte, *Responsive Web Design* (A Book Apart, 2011), `www.abookapart.com/products/responsive-web-design`
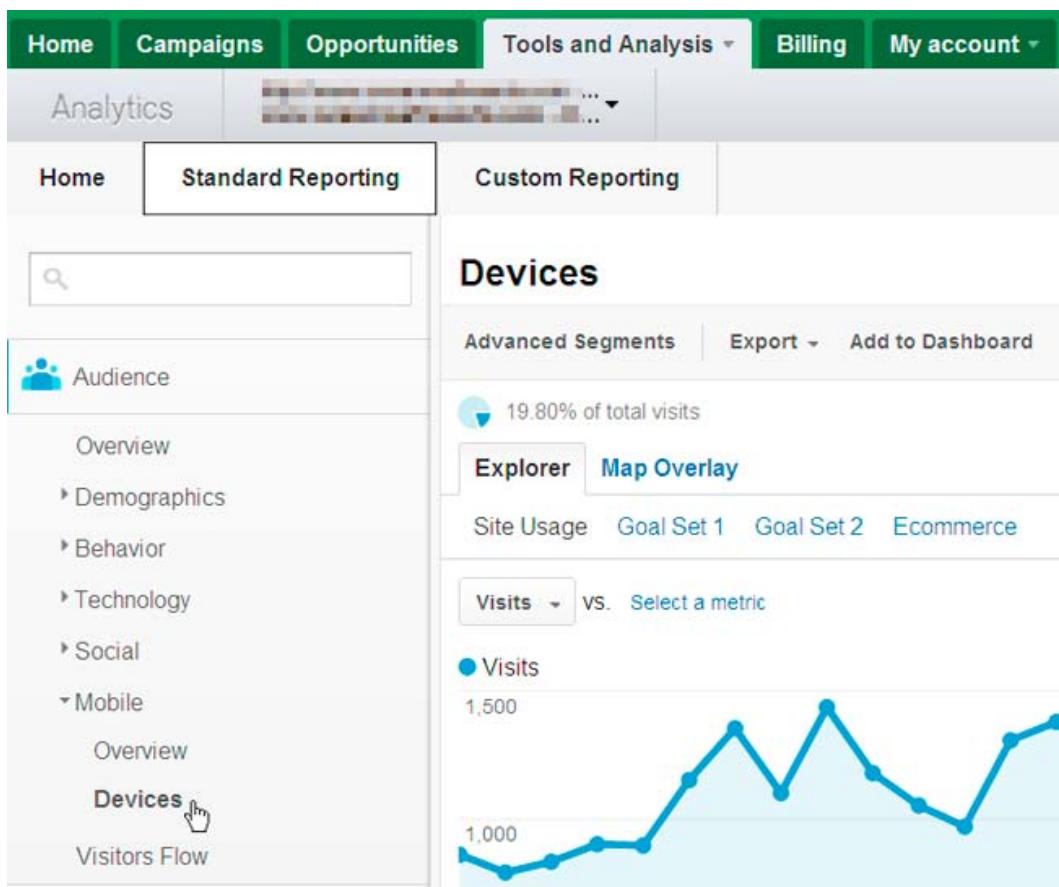
Figure 9-24. *Navigating to the GA Mobile Reports*

Figure 9-25 shows the mobile devices report in a motion chart format for a campaign segmented by search traffic and direct traffic. (We talk about the new GA motion chart format in Chapter 11. For more on setting up and interpreting motion charts, see the Motion Charts section in that chapter) You can cursor over any bubble (which designates a device type like the iPad or iPhone) on the chart to raise a data annotation that tells you the number of visits for that device type (x-axis) and the bounce rate for the particular date selected on the date slider below the chart.
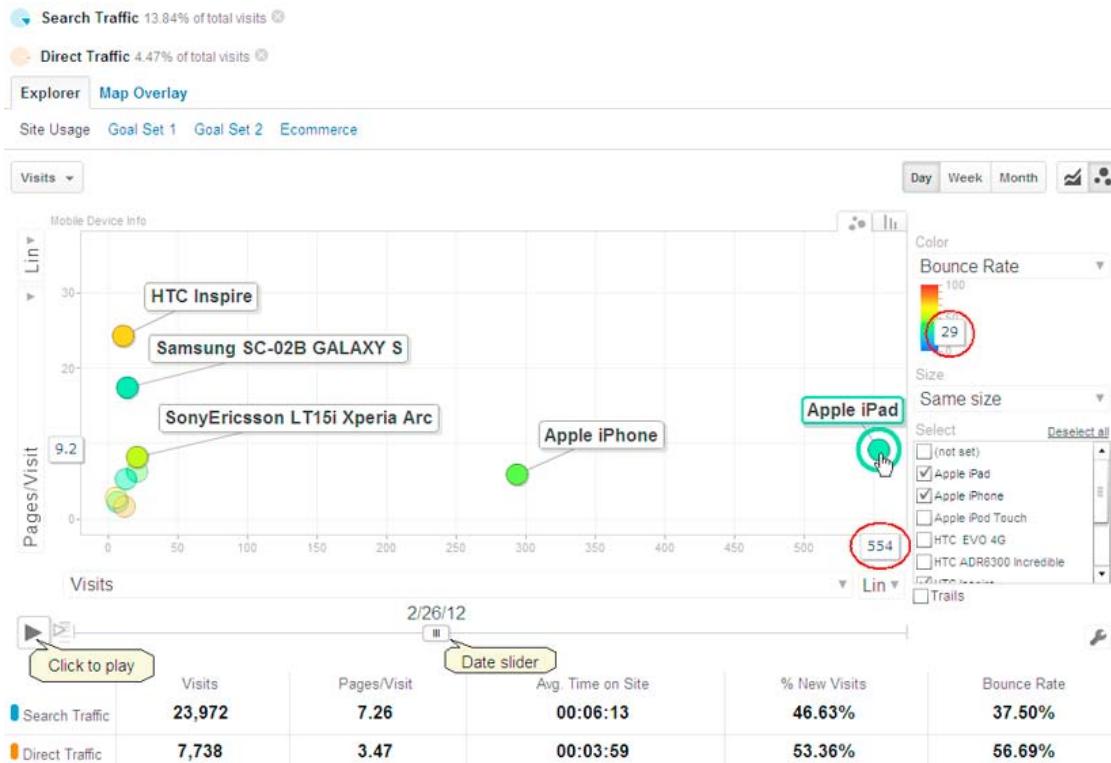
Figure 9-25. *Motion chart for the Mobile Devices Report segmented by search traffic and direct traffic*

In this figure, the date slider has been set to "2/26/12," and we have cursored over the bubble for the Apple iPad, resulting in a data annotation showing 554 visits (on the x-axis, highlighted by the ellipse) by users with iPads, and an average bounce rate of 29% (Bounce Rate color bar, right-center). You can adjust the date for the chart by clicking and dragging the date slider right or left, or you can click the play button at the left of the date slider to play the chart animation through the entire date range.
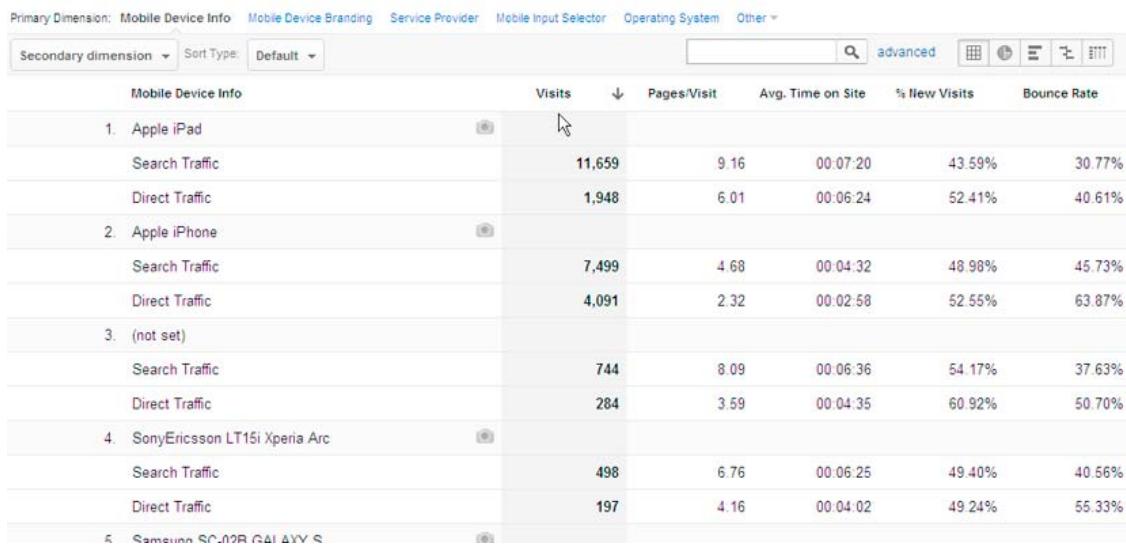
Mobile Device Info		Visits ↓	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate
1. Apple iPad						
Search Traffic		11,659	9.16	00:07:20	43.59%	30.77%
Direct Traffic		1,948	6.01	00:06:24	52.41%	40.61%
2. Apple iPhone						
Search Traffic		7,499	4.68	00:04:32	48.98%	45.73%
Direct Traffic		4,091	2.32	00:02:58	52.55%	63.87%
3. (not set)						
Search Traffic		744	8.09	00:06:36	54.17%	37.63%
Direct Traffic		284	3.59	00:04:35	60.92%	50.70%
4. SonyEricsson LT15i Xperia Arc						
Search Traffic		498	6.76	00:06:25	49.40%	40.56%
Direct Traffic		197	4.16	00:04:02	49.24%	55.33%
5. Samsung SC-02B GALAXY S						

Figure 9-26. Mobile devices report segmented by search and direct traffic, and sorted by visits.

Figure 9-26 shows the Mobile Devices report in table format, with the search and direct traffic data broken out for each device. This table appears immediately below the chart in the GA interface. The icons on right side of the table's menu bar allow you to display the data in other formats, such as a pie or bar chart.

The mobile devices report can also be displayed in a map format by clicking on the Map Overlay tab to the right of the Explorer tab (see Figure 9-25). Figure 9-27 shows the map overlay view with the cursor over one of the states to display a data annotation showing the visit count for the time period of the report.
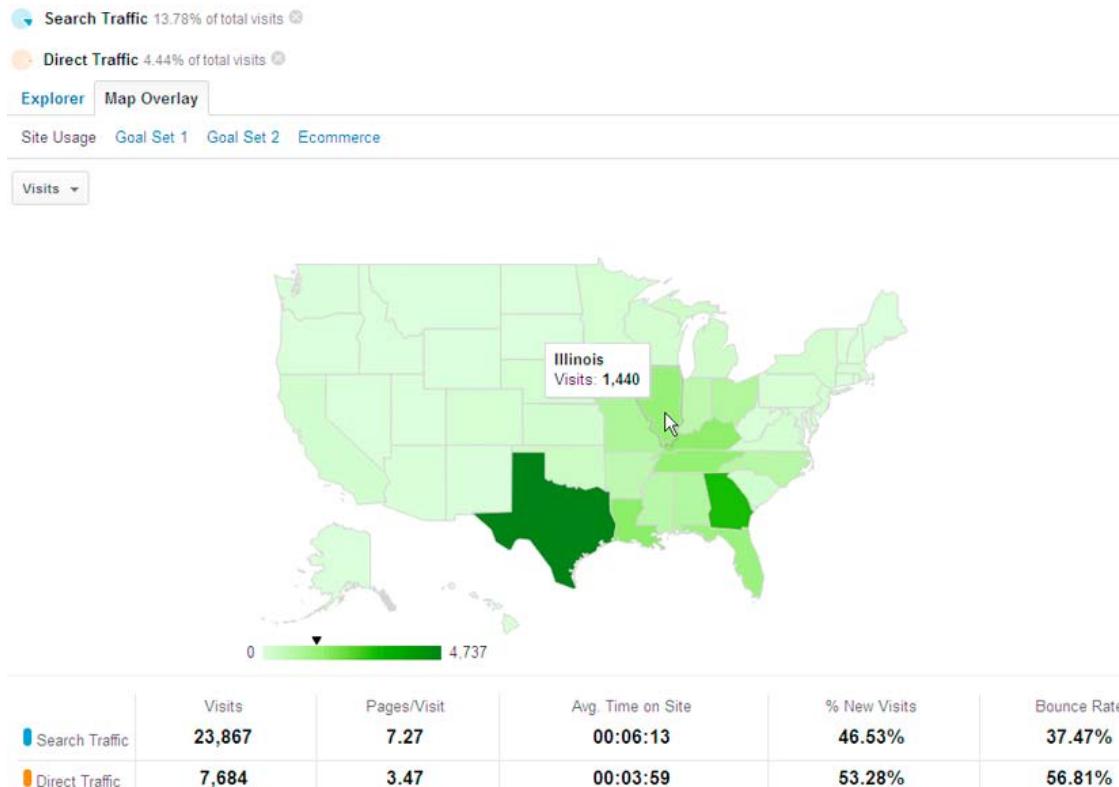
Figure 9-27. Mobile Devices Report in the map overlay format showing mouseover annotation

Tracking Technology for Mobile

Tracking for mobile web pages is largely accomplished the same way as it is for desktop pages: by adding GA tracking code snippets to the mobile page HTML. Besides JavaScript, server-side code snippets are also available in PHP, JSP, ASP.NET, and Perl[30]. You can track user visits to your mobile web site from high-end smartphones, tablets, connected devices with browsers, and WAP devices. You can get all of the same type of tracking data as is available for desktops.

If you have Android or iOS mobile apps running as part of your mobile campaign, Google provides SDKs (software developer kits) that your developer can use to set up the app to communicate tracking data to Google's tracking servers.

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[30] "Google Analytics – Mobile Tracking Overview,"
http://code.google.com/apis/analytics/docs/mobile/overview.html

Summary

In this chapter we've attempted to highlight the important details involved in setting up mobile AdWords campaigns. The mobile environment is changing very rapidly, with market analysts now estimating there will be 1 billion HTML5 smartphones in users' hands by 2013.

We also covered some of the AdWords extensions that can be used in your mobile campaign. These included mobile app extensions, location extensions, click-to-call extensions, and click-to-download extensions. We covered the subject of hyperlocal search ads and what's involved in understanding the mobile consumer at both the micro and macro levels.

Next, we developed a checklist for creating your mobile campaign.

- Simple layout

- Prioritize content

- Design for thumbs

- Use the features unique to mobile

- Don't use Flash or other proprietary add-ons

- Make it easy for the consumer to convert

- Take full advantage of Google's mobile ad features

- Reduce load time

- Provide a link to your desktop page

Following the checklist, we discussed WAP (Wireless Access Protocol) devices and what's involved in setting up an AdWords WAP Mobile campaign. The next section covered the considerations involved in creating mobile-friendly landing pages.

Many businesses have ongoing desktop AdWords campaigns but haven't yet set up a mobile campaign. We used the term "Mobile Last" to describe this situation. These businesses have two options: adapting their existing landing pages to create their mobile landing pages or moving to a "Mobile First" perspective. We covered the spectrum of mobile markup languages, from WML to XHTML-MP to HTML4 and HTML5. HTML5 has many features that support mobile devices without having to resort to plug-ins or APIs and that can be applied to mobile web development.

Mobile First should mean "write once, use everywhere" so you develop a single landing page that runs on all platforms (smartphones, tablets, and desktops). This is accomplished through the use of CSS3 and JavaScript, enabling the page format to adapt to the constraints of the device display. There are two design regimes for accomplishing this: progressive enhancement and responsive web design.

Finally, we discussed what's available in Google Analytics in terms of standard reports for mobile advertisers and how mobile tracking for both mobile web pages and mobile apps is supported.

In the next chapter, we will cover the subject of account management and optimization, an important subject for both mobile and desktop campaigns.

Account Management and Optimization

Once you have your accounts up and running, the next step is to create a routine and process for maintaining your account on a daily, weekly, and monthly basis to ensure you're meeting your goals and seeing a positive ROI. AdWords is definitely not a set-it-and-forget program. Getting everything up and running is only the first step.

There isn't one magic answer to creating a profitable AdWords campaign. But the advantage to running AdWords campaigns is that you have a wealth of data to help you make decisions and optimize your account. This chapter will highlight areas in your account for managing this information. As you optimize your account, keep your goals in mind. Remember that new accounts take some time to gain momentum. Don't start out trying to be all things to all people: it's better to focus on one niche of your business, learn how AdWords works, then build on your successful strategies.

As you go about tuning the performance of your account, also remember that if something is working well, this is a good sign you should elaborate your campaign in that area. In addition, AdWords optimization involves constant testing—improving on what's working and changing what isn't.

Optimizing Search Campaigns

When digging into your account data, especially at the start of a new campaign, it's important to get a sense of the overall picture. How is everything playing out together? Are you meeting your goals?

First, take a look at the campaign level to get a sense of your overall performance. The campaign level displays budget status alerts. You can also see the total number of conversions and the conversion rates, as well as the impression share.

Budget

Budgets are set at the campaign level, so this is a good place to see how much you've spent. By adjusting the date range, you can see how much have you spent per month/week/day. If you want to see your average daily spend, you have a few options. You can see a snapshot into a single day by setting the date range to "yesterday" or any single recent day. Another option is to adjust the graph above the table to

display cost data. To do this, click the graph symbol ⊠ and select the metrics you would like displayed, in this case "cost" (Figure 10-1). Again, the data displayed will match the date range you've selected. This graph is available on all levels of the account: all campaigns, individual campaigns, or ad groups.
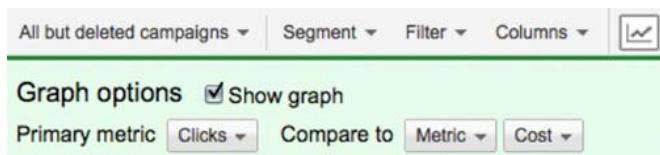
Figure 10-1. Toggle graph options

The other option for viewing your spend over time is via the Dimensions tab. You can select the duration by using the Time pull-down shown in Figure 10-2.
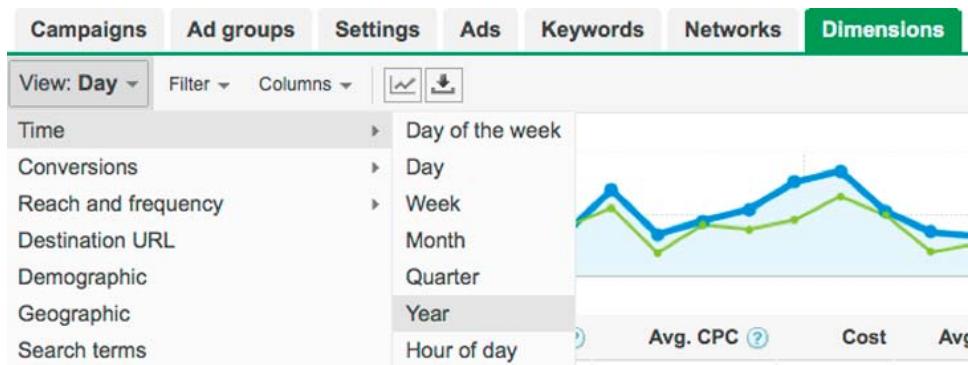
Figure 10-2. Sorting campaign data by time

The column customization feature allows you to adjust the level of detail in the resulting Dimensions table.

How is your budget holding up? The Status column displays at the campaign level by default and will notify you when you're running out of budget each day by displaying the status "Limited by budget" (Figure 10-3).

Figure 10-3. Campaign status data

If you click the graph symbol next to the status information, you will see budget recommendations from Google (Figure 10-4).

Figure 10-4. Budget ideas

The first reaction to this data shouldn't necessarily be to raise your budget to meet Google's suggestions. However, if the campaign in question is showing a profitable ROI, then there is room to increase your impressions, clicks, and thus conversions. If you're on a tight budget and can't increase your spending, look for others ways to decrease the scope of your campaign and better meet your budget. For example, if you're not geotargeting, look for a geographic subset of your audience upon which to focus. Look at the keyword level to find areas for improvement. If your keywords are too broad, you could be burning through your budget due to too many high volume (and most likely low return) keywords. Are there certain times of the day that are converting better? Use the Day Parts report in GA (we talk about this in Chapter 11) and the ad scheduling functionality (discussed later in this chapter) to only show your ads during the most profitable times of the day. Once you're meeting your goals, expand. Another option for campaigns with budget restrictions is testing different bidding options. For example, test automatic bidding to see whether the results for your campaigns improve.

Budget ideas also appear in the Opportunities tab of AdWords, discussed later in this chapter.

Impression Share

Impression share data is displayed at the campaign level and the ad group level. This data goes hand in hand with the budget data to give you an idea of the optimization opportunity for your campaign. By default, the impression share data isn't displayed. Select Column customization from the Columns drop-down and select the competitive metrics that you would like to see. "Lost IS (budget)" tells you how many impressions you're missing because of insufficient budget. If you are losing impressions

because of budget, you may need to increase your budget. "Lost IS (rank)" tells you how many impressions you're missing because of ad rank (i.e. too low bids or too low Quality Score; see Chapter 2). You may need to increase your bids to appear in more auctions and work on increasing your quality scores. "Exact match IS" tells you the percentage of impressions that matched the exact version of your keyword out of the possible impressions.

Quality Score Management

As discussed in Chapter 2, Quality Score is an important component of your AdWords account and your click-through rate is a major factor in Quality Score. The click-through rate of your ads and keywords work hand in hand to generate CTR. Managing your account with a close eye on Quality Score helps to keep your costs down. In general, strategies that work to increase CTR also improve your overall results.

So what is a good click-through rate on the Search Network? In general, CTRs under 1% need attention. Over 1% is okay, but set your aim for 3% plus. Mature, well-optimized accounts often see click-through rates that average around 8% or even higher.

■ **Note** Be certain to display your Quality Score at the keyword level by customizing columns.

Keywords and Click-Through Rate

Well-managed accounts with tightly themed ad groups lend themselves to higher CTRs. The first step in optimizing your account for Quality Score is to look for the keywords that aren't performing as well as the ad group as a whole. Is the match type too broad? Could you change a broad matched keyword to a broad match modified keyword? Could you add additional negative keywords to reduce the number of unproductive impressions this keyword is seeing? Don't be reluctant to pause a keyword that's underperforming. This is especially important in new accounts where poorly performing keywords can hurt your overall account Quality Score. You can always revisit these keywords once you've built some history with Google.

The Search Query Report (SQR), one of the favorite tools of most PPC managers, can help you sort through this data. We explained how to access and use the Search Query Report in Chapter 6 when we talked about keyword strategy. To recap, the Search Query Report shows the exact query that triggered your ad. This data is useful for finding keywords that are costing your budget but not converting, as well as keywords that are converting but not in your account. It's also a great place to find keywords that are triggering your ad but aren't a match to your business; these words should be added as negatives.

For example, say you a have a business that offers guided trips to Mount Everest. After examining the Search Query Report, you see the keyword in Figure 10-5.

Search term	Match type	Ad group	Clicks ⑦	Impr.	CTR ⑦
Total			**6,296**	**683,929**	**0.92%**
ford everest cars	Phrase match	Himalaya	1	831	0.12%

Figure 10-5. Example of search query data

If you do a quick search in Google for "Ford Everest," you learn that the Everest is an SUV built by Ford. Adding "Ford" to your lists of negatives will prevent your ads from showing for these searches, thus reducing the number of impressions your Everest keywords are receiving. This in turn increases your click-through rate. This process also helps improve the reach of your budget, as you don't want to waste valuable clicks on these searches. The more negative keywords in your account, the fewer number of impressions you receive. If a keyword is generating impressions but the ad text is clear enough to eliminate a click, your click-through rate still takes a hit. Again, let's use the Ford Everest example. Every time your ad showed for the search query "Ford Everest", you accumulated another impression. Because the click-through rate is the ratio of clicks to impressions, reducing the number of impressions increases CTR.

Sometimes a keyword receives a high number of impressions, but no clicks. In this case, the SQR data isn't helpful. (Keep in mind that the Search Query Report only shows data on searches that resulted in a click.) In this situation it's time to do some additional keyword research. Enter the keyword in question into the Keyword Tool and look for variations of the keyword that don't match your business or web site. You can also enter the keyword into Google and examine the results. Is there another product or meaning to the keyword that you haven't eliminated yet?

In some cases, a keyword may perform very well and drive a large portion of the conversions in an ad group. Use this as an indication to separate that keyword into its own campaign and give it a dedicated budget. This ensures that a high performing keyword has as much visibility as possible, and that the ads associated with this keyword can be precisely tailored to improve CTR even further. Use the impression share data to ensure that these keywords are receiving as many impressions as possible.

We are probably starting to sound like a broken record, but we will say it again: "*Create tightly themed ad groups.*" This is a process that should continue over time, even after your account is running. Use keyword data to create additional ad groups as needed. It's never too late to move a keyword to a better matching ad group or to create a new ad group. For example, let's say you're running ads to advertise for vacation rentals in Miami, Florida. After reviewing your search query data you notice that you're seeing good conversion rates for keywords related to "luxury" rentals in Miami, but you don't currently have an ad group focusing on the luxury niche. Time to create a new ad group! We recommend using exact, phrase, and broad match modified keywords (with the keyword "+luxury"*).* In addition, you can add "luxury" as a negative to your other ad groups to ensure that Google knows to display the ad from your luxury ad group when that keyword is part of a visitor's search query. You can also take visitors to a landing page specific to luxury rentals. Engaging in an on-going process of refinement in this way helps to increase both your CTRs and your conversion rates.

With new accounts, Quality Score is based on the historical performance of a keyword across Google search and doesn't reflect the keyword performance within your account. Once a certain number of impressions are received (generally believed to be in the thousands), the Quality Score will reflect the performance of that keyword in your account. For this reason, a keyword with an initially low Quality

Score but showing good performance should show an increase in the score after you accumulate more impressions.

Later in this chapter we walk you through the process of tracking your Quality Score over time. AdWords doesn't keep (or reveal) Quality Score history. *Quality Score changes are a good barometer of the overall health of your account.* Use this data to ensure that you're making the right optimization decisions. High-volume keywords with a sudden drop in Quality Score can become costly very quickly. When this happens, place these keywords in intensive care! Give them their own ad group and optimize the ad copy, display URL, and landing page.

In Chapter 6 we talked about using your account data and tools within AdWords to expand your keywords list. Be certain to incorporate this information into your overall keyword optimization process.

Ad Optimization

Another factor in Google's Quality Score calculation is the average CTR of your ads. Use data from your ads as an opportunity to optimize your account. Examining the click-through rates of your ads can also tell you how well they resonate with searchers.

We highlighted the importance of testing your ad copy in Chapter 7. Remember that an AdWords best practice is to always test at least two versions of ad copy. Before declaring a winner, be sure you've gathered enough impressions to evaluate performance. When running tests, it's often helpful to enlist the use of a statistical significance calculator. You can find a statistical calculator at www.webshine.com/statistical-significance-ctr.

To start the ad optimization process, use the data available to you. Look within an ad group to see what keywords are receiving the most clicks and conversions. When testing new ad text, try incorporating these well-performing keywords into your ad text.

■ **Note** When testing ad text, set ads to "rotate evenly" in your campaign settings. This allows you to be the judge of the winning ad, not Google.

In addition to testing ad text, use the ad scheduling option to control when your ad appears. You can run a Day Parts report in Google Analytics to break down your AdWords account performance over a period of time (e.g., six months) by day of the week or hour of the day. To configure the times your ads appear based on this data, navigate to the Settings tab for the appropriate campaign. Scroll down to the bottom of the setting options to Advanced Settings. Expand the information under Schedule and click the Edit option next to Ad scheduling (Figure 10-6).

Advanced settings

Schedule: Start date, end date, ad scheduling

Start date   **Dec 18, 2010**

End date   **None**   Edit

Ad scheduling ⓘ   **Show ads all days and hours**   Edit
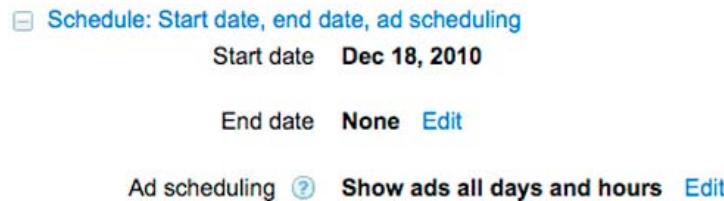
Figure 10-6. Editing the ad scheduling

The Ad schedule screen will pop up and you can select the hours and/or days of the week you would like your ads to run (Figure 10-7). Click on the current information for the time period and the yellow pop-up will display your options for editing the time period. Select the times you would like your ads to run. If you'd like the same settings for every weekday or for all days, use the copy function. The Ad schedule screen includes an option for bid adjustment, which is covered in the "Bid Optimization" section later in this Chapter.
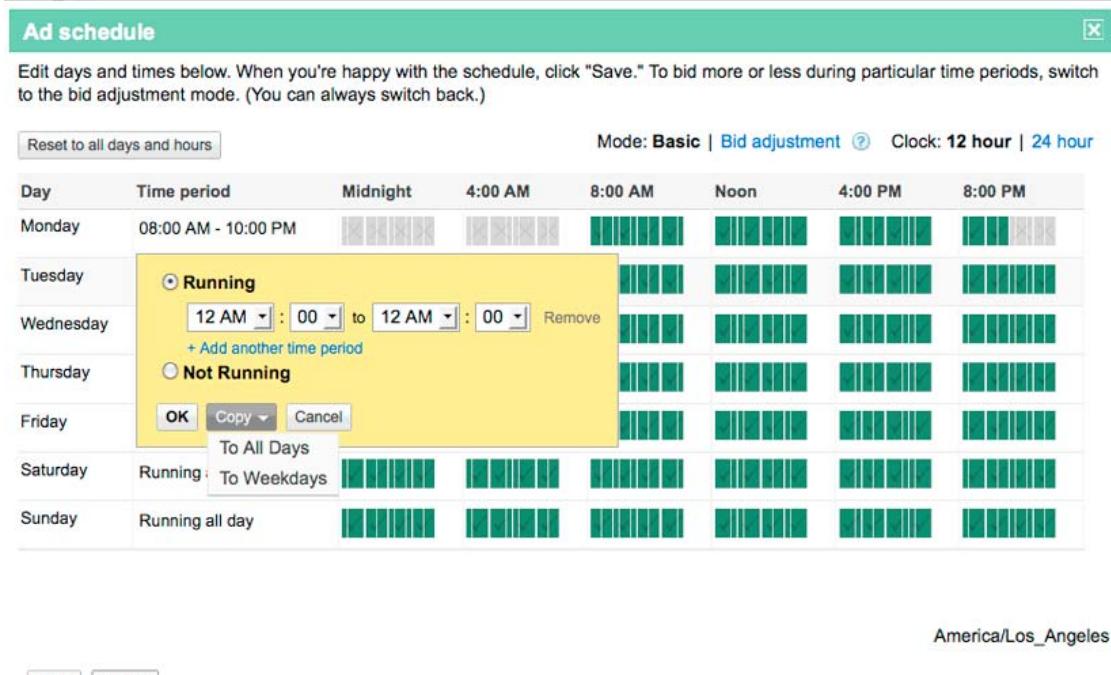
Figure 10-7. Setting the hours you would like your ads to run

Other Quality Score Considerations

A few special considerations should be kept in mind when making large changes to an account, such as when taking over the management of an account that needs a major overhaul. Here are some pointers:

- Roll your changes out slowly. Instead of overhauling the entire campaign in one comprehensive update, revise one campaign at a time.

- Use AdWords Editor to make your changes. Copy and paste keywords from one ad group to another, rather than deleting and re-entering. Keywords have performance data associated with them, so if you decide to move a keyword from one ad group to another, it's better to cut and paste, rather than delete and re-enter.

- Copy and paste the better performing ads from the old ad group to the new ad group. Keywords and ads work together to generate Quality Score. Severing this symbiotic relationship can hurt your Quality Score.

Landing Page Optimization (or Conversion Optimization)

Late in 2011 Google announced updates to their Quality Score algorithm in order to place more emphasis on landing page quality. We discussed landing page optimization in Chapter 7 and we discuss more options in Chapter 12 on the Google Website Optimizer.

Successful landing pages have high conversion rates and low bounce rates. Low conversion rates indicate you need to optimize your landing page. High bounce rates, visible in Google Analytics, mean visitors to your landing page aren't interested in engaging further with your site (but you already knew that). Two reports for evaluating the success of landing pages are the Destination URL Report in AdWords and the Destination URL Report in Google Analytics. Both of these reports are covered in Chapter 7.

Segmentation

Segmenting your AdWords data allows you to slice and dice it in some illuminating ways, providing greater insight into what is working and what isn't. Segmenting your data allows you to focus the targeting of your campaigns. We touch on some uses for segmentation in other parts of the book, but we will highlight some of the possibilities here.

You can segment data at all levels of the account; however, the data available for segmentation varies depending on the level of the account. There are essentially two ways to segment data within AdWords. One is through the Segment option within the campaign, ad group, or keyword level. The other option is through the Dimensions tab. Figure 10-8 shows the Segment options at the campaign level.
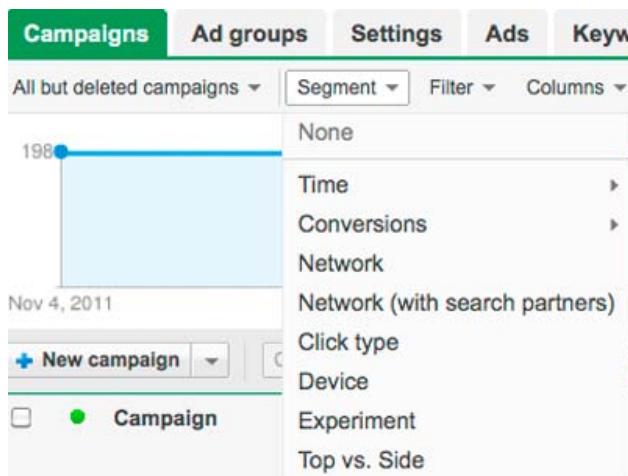
Figure 10-8. Segmentation menu at the campaign level

Here's a list of the options for segmenting data:

- **Time**: Options for time segmentation include day, week, month, quarter, year, day of the week, or hour of day. Use time-segmented data to find the day(s) of the week or hour(s) of the day you see the most conversions.

  If your campaign's performance has dropped recently, can you identify a time when things started to go south? Does the drop in performance coincide with changes to your account? Look at your performance by day to understand what changes precipitated the drop in performance.

  Use the day-of-the-week segmentation to see when you are receiving conversions. If your business is B2B focused, does it make sense to run your campaigns over the weekend?

- **Conversions**: Because all conversions are not equal, segmenting by conversion allows you to see data based on the conversion name or the conversion tracking purpose. This is especially helpful when you haven't assigned values to your conversions. Let's say, for instance, that you're tracking when someone signs up for your newsletter and when she makes a purchase. If you want to see which keywords are driving sales and which are generating newsletter sign-ups, conversion segmentation is your answer. One-per-click conversion statistics aren't available with this data, so be certain to use the many-per-click statistics when downloading and reviewing this data.

- **Network**: The network option segments your data between Google Search and Google Display. Because you've read this book (perhaps this is your second time through?), you would never run a single campaign on both the Search and Display Networks, so you will never need to use this type of segmentation…right?

- **Network (with search partners)**: Segmenting on search partners is a great way to compare results within Google Search and Google search partner sites. Because it isn't currently possible to run campaigns only on partner sites, you must decide between running ads on both Google Search AND search partners or just Google Search.

- **Click type**: Segmenting data by click types shows results based on the various ad extensions. Although you can't see exactly which sitelink was clicked, it's helpful to highlight which type of ad extension (e.g., call extension or location extension) received a click. Clicks to the ad itself are labeled "headline." Other options include product extension, sitelink, phone call, mobile clicks-to-call, and get directions. If you look closely, statistics from the click type won't match the data that you see under the Ad extension tab. This is because the data under the Ad extension tab shows all clicks when the sitelink was displayed, whether the click was on the headline or on the sitelink. Click-type data counts only when someone clicks directly on the sitelink. We've found that overall, ads with sitelinks see great click-through rates, but that visitors aren't necessarily clicking on the sitelinks, but on the headline of the ad containing the sitelink.

- **Device**: Look at your data based on the user's device, be it computers, mobile devices with full browsers, or tablets with full browsers. This data can serve as a great jumping off point for creating mobile-specific campaigns. Use this data in conjunction with the mobile data in Google Analytics as a test ground for creating mobile-specific campaigns. Prior to creating mobile campaigns, look for keywords and ads that are resonating better with mobile uses.

- **Experiment**: We will discuss experiments later in this chapter. When running experiments, this segmentation setting is essential.

- **Top vs. other**: This is one of the newer and more useful segmentation options. Previously, average position was the only insight AdWords provided into how position was affecting your performance. However, average position was a bit misleading as the top #1 position was considered a 1 and the top side position was also considered a 1. This made it impossible to determine whether your ads were running at the top or the side of the page. With "top vs. other" segmentation you have greater insight into where your ads are appearing and how they're perform-ing in various positions. Because Google also runs ads at the bottom of the page, "other" includes both ads to the right of the organic results and ads below the organic results. Remember to look at both CTR and conversion rates when looking at this data. The "other" positions are often cheaper; if they're converting, you can achieve a lower cost per lead in these positions. If you're seeing great results in the top positions but your ads aren't appearing there a majority of the time, optimize for Quality Score and consider increasing your bids.

- **+1 Annotations**: You can segment any ad, keyword, ad group, or campaign with the +1 annotation segment. The segment will break out the performance metrics for impressions into three categories:

    - Impressions with personal annotations (impressions where a viewer's friend or contact had +1'd your brand or ad)

    - Impressions with basic impressions (impressions with a count of unidentified individuals who have +1'd your brand or ad)

    - Impressions without a social annotation

  The +1 annotations segment works across all campaigns, even those not using the social ad extension, since +1 annotations can come from any of several sources, not just Google+ pages.

Filtering

Creating filters within AdWords enables you to work with a sub-set of data that meets certain criteria. Filters are a good way to segment data that needs attention. For example, you could use a filter to find poorly performing keywords. To set up a filter, go to Keywords ➤ Filter ➤ Create filter (Figure 10-9).
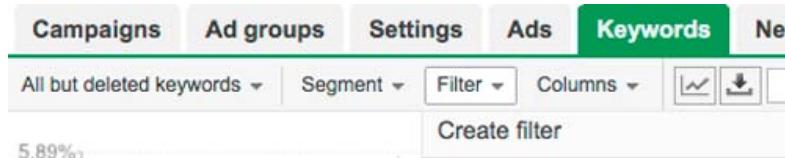
Figure 10-9. Starting the process of creating a filter

In this example, we're defining poorly performing keywords as those with a CTR of under 1%, with the number of impressions at or above 1,000, and with no conversions. Figure 10-10 shows how these settings are entered to create a filter. Click Apply; only keywords meeting the filtering criteria will display in the table.
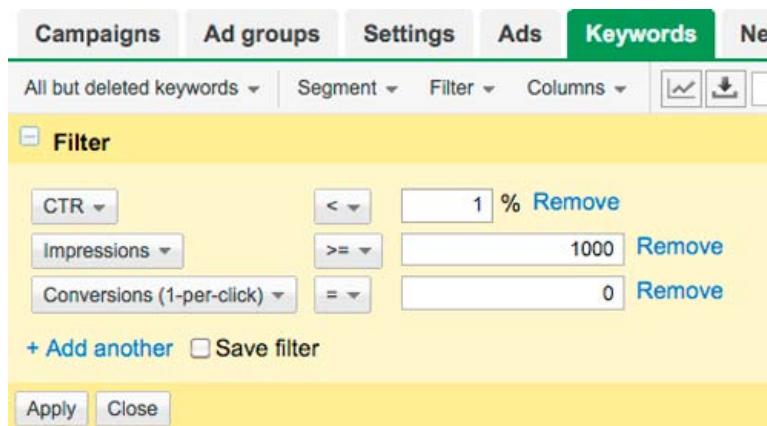
Figure 10-10. Creating a filter

You can use filters to find keywords that are converting or not converting, ads that are disapproved, keywords with low average positions, keywords with low Quality Scores, etc. Figure 10-11 shows an example of the criteria available for filter creation at the keyword level.

Figure 10-11. Filtering criteria options at the keyword level

We touched on filters in Chapter 4 when we talked about the Home tab within AdWords. Saved filters will appear on the Home tab screen.

Bid Management

Properly tracking conversions provides you with a wealth of data to help make bid management decisions. All the estimates in the world can't tell you how your account is actually going to perform. Once you've accumulated data, be sure to make bid management part of your weekly optimization process.

In the following sections, we cover the options available for bid management. These include

- Optimizing bids based on conversion goals

- Revenue-per-click data

- Bid adjustments with the Ad Scheduler

- Bid adjustments with AdWords Editor

- Other bid considerations

Optimizing Bids Based on Conversion Goals

Now that you have an idea of your conversion rates, you can optimize your bids based on this data. This process is similar to determining bids at the start of your campaign, but now you have live data to work into your calculations. Let's look first at an example for a lead generation site. In this example, you know your sales team has a close rate of 5% and an average sale generates $500 in revenue. This means you can spend $25 per lead ($500 × 0.05%= $25). The campaign in question has a conversion rate of 5%. By using the following formula you can use this information to determine your target bid:

Target Bid = CPA x Conversion Rate
$25 × 5% = $1.25

This is the amount you can spend per click for that campaign. To what level of granularity you take these calculations depends on the number of keywords and ad groups in your account. As we've mentioned before, bids can be set at the keyword or ad group level. Later in this section we discuss using AdWords Editor to update bids for large numbers of keywords.

As another example, let's look at an e-commerce site where you can base bids on ROI. You learn from Google Analytics that the average online sale is $55 (probably because you offer free shipping for sales over $50). The average cost of sale for an order this size is $25, which means the gross profit from an average sale is $30.

Profit = Revenue – Cost of Sale

Now let's calculate advertising ROI based on the profit.

ROI = Profit/Spend

So, what can you spend? Let's work backwards from the ROI goal, which you set at 150%.

1.5 = $30/Spend
Spend = $20

Now you know that you can spend $20 per sale. Since your campaign has been running, you're seeing a conversion rate of 5%. $20 × 5% = $1. This means you want to spend no more than $1 per click to meet your goals.

When adjusting bids based on target CPAs, keep in mind that generally the actual CPC is lower than the Max CPC. Therefore, you might want to give yourself a little room and base your calculations on a slightly higher CPA.

Later in this chapter we discuss the use of experiments to test account changes. Keep this option in mind when adjusting bids, as this option allows you test changes side by side.

Revenue-per-click Data

Another option for evaluating bids based on results is revenue-per-click data. In AdWords you can see this metric by customizing the columns to show "Conversion Value/Click." Thanks to Google Analytics, you also have this metric at your fingertips in your GA AdWords reports. (We talk about this GA metric in Chapter 11.) Note that the statistics you see in GA for revenue-per-click and conversion-value-per-click aren't based on profit (i.e., don't include your cost per sale).

Bid Adjustments with the Ad Scheduling

Another option for optimizing your bids is to use the ad scheduling feature. Through the use of this feature, you can change your bid amount based on the time of day and/or the day of the week. Say, for example, you use the Day Parts report in Google Analytics and learn that your cost-per-conversion is much higher between the hours of midnight and 4 a.m. Instead of pausing your ads during this time, you can choose to reduce your bids during this time slot. The Ad Scheduler is accessed from the Campaign settings. At the bottom of the Settings page, under Advanced settings, expand the area under "Schedule: Start date, end date, ad scheduling." Then click Edit next to Ad scheduling. In the resulting pop-up, click "Bid adjustment." Figure 10-12 shows how to adjust your bids based on time within the Ad Scheduler Tool. Select the time period and then enter the percentage that you would like your bid to adjust during that time. To replicate this change on other days, click Copy.
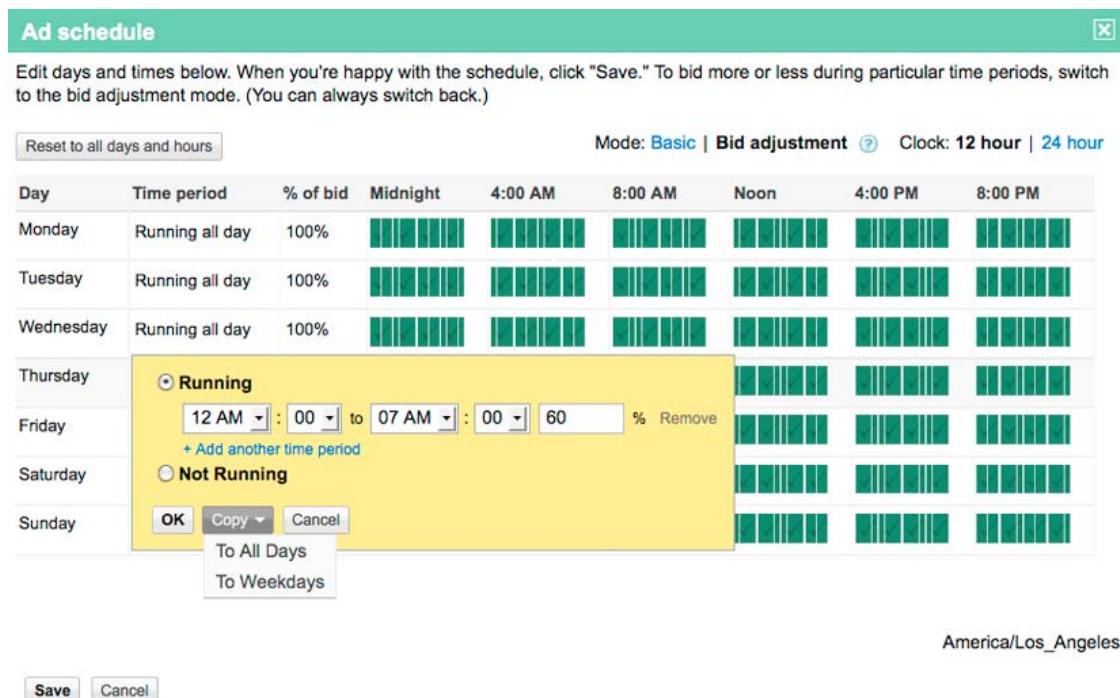
Figure 10-12. *Adjusting bids based on time of day*

Bid Adjustments with AdWords Editor

The AdWords Editor is helpful when making bulk changes to your account and includes a useful feature for making bulk changes to you bids. The Advanced Bid Adjustment Tool allows you to increase or decrease bids by a specified percentage. This is especially helpful when your bids are set at the keyword level.

To access the tool within AdWords Editor, navigate to the level of the account where you would like to make your changes in the account tree on the left. For example, if you want to change bids on all

keywords in the account, click the folder with the name of the account. Then in the data view on the right, click the Keywords tab. Select the keywords that you would like to apply the change to (selected keywords will be highlighted in blue). Under the "Edit selected keywords" section in the data view, click the link for "Advanced bid changes." You will see the pop-up shown in Figure 10-13.
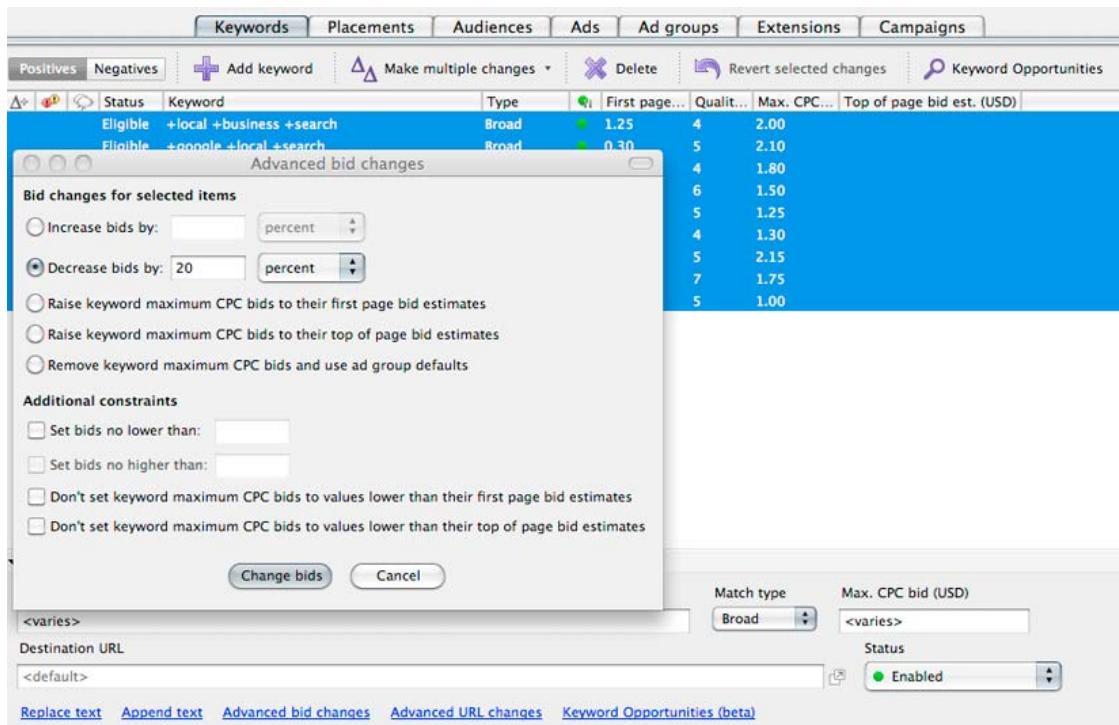
Figure 10-13. Advanced bid changes in AdWords Editor

As you can see from Figure 10-13, you can increase or decrease bids for the selected keywords by a percentage amount. It's also possible to change bids by a dollar amount. The Advanced Bid Changes Tool is also a handy way to increase bids to Google's first page or top of page estimates. Use the additional constraints to set limits on the automated changes.

Another option for changing bids via the AdWords Editor is to use the download feature and then upload your account information to Excel. Use Excel to apply formulas to your bids. For example, say you want to set your bids to match a target CPA. As we just reviewed, the formula for bids based on CPA is:

Target Bid = CPA X Conversion Rate

Manipulate the data in your spreadsheet according this formula and re-upload the new bids via the "Make multiple changes" option.

Other Bid Considerations

Now that you're generating conversions, you may want to consider using the Conversion Optimizer or Enhanced CPC bidding. To get started with the Conversion Optimizer, you need to have at least 15 conversions in the last 30 days. Be sure to monitor results over time, as some accounts will see better performance and others will see poorer performance. We covered the Conversion Optimizer in Chapter 2.

The Impression Share Report under the Campaign tab of AdWords includes information on impressions missed due to rank. As you learned in Chapter 2, `Ad Rank = Quality Score x Bid`. Therefore, if you're missing out on auctions because of low rankings, you can increase your bid while also working to increase Quality Score. Increasing your bids is certainly quicker; however when increasing your bids, keep your goals in mind and don't lose sight of your cost-per-lead (CPL). Don't increase your bids just to keep up with your competition if it leads to poor cost performance.

There are many third-party software options for automated bid management. If you choose to use one of these packages, you will probably update your bids more often than if you were updating manually. Google has been addressing the bid management arena with their Conversion Optimizer and Enhanced CPC bidding options. These bidding options serve as ways to optimize the bidding process within AdWords but require leaving a lot of the decision-making up to Google.

Another option for automating the bid updating process within AdWords is through the use of rules. In the next section, we discuss Google's Rule Automation facility.

Rule Automation

You can create rules for a wide array of tasks for your account. Rules can be created at any level of your account, including at the campaign, ad group, and keyword or ad text levels. When using rules, be certain not to just "set it and forget it." A poorly created rule left to run will cause havoc as it continues to execute, repeating the same mistake over and over. When creating a rule, you can choose to be notified via e-mail every time the rule is executed. This is one way to stay on top of the changes being made to your account. Each rule will perform one action, but you can choose from a variety of metrics to trigger the action. For example, you can create a rule to increase your bid by 10% when you're below the first page estimate.

To create a rule, navigate to the level of the account that you would like to create a rule for and click the Automate pull-down arrow. At the campaign level, you can change budget, pause campaigns, or enable campaigns, as shown in Figure 10-14.
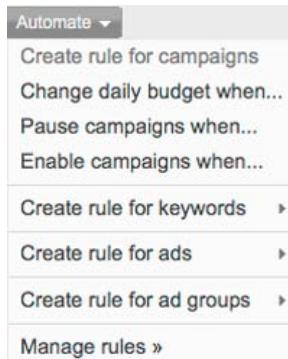
Figure 10-14. *Accessing the rule automation function at the campaign level*

At the ad group level you can pause or enable an ad group or change an ad group default bid. At the keyword level you can pause keywords, increase or decrease max CPC bid, or raise bids to the first page CPC. At the ad level, you can pause or enable ads. These options, together with the fact that you can base your rules on several criteria, means there is wide range of combinations available for creating rules. Here are a few examples:

- Pausing keywords with too high a cost-per-conversion.

- Increasing your bid to ensure ads are on the first page or at the top of the page.

- Starting ads during off-hours for a promotional event.

- Increasing bids during the hours of the day that convert best.

- Increasing budget for campaigns that are converting well.

Let's walk through an example for creating a rule to increase your bids to ensure that you're showing on the first page.

1. You want to create a rule for keywords, so navigate to the Automate button at the keyword level of the account. The Automate button is located below the graph and above the main table.

2. From the Automate pull-down, select "Raise bids to first page CPC when…" (You can choose to create a keyword rule at the campaign level but the metric options are more limited.) The Rule Automation Tool will launch, as shown in Figure 10-15.

Create rule: Increase keyword bids to first page CPC

Automated rules can save you time by making changes to your account based on criteria you specify. Learn how to create rules, and see examples of popular rules. Rules aren't guaranteed to run in some cases, so we recommend regularly monitoring the rules you set up. Learn more

Apply to ⑦   All but deleted keywords in all campaigns ▾

Automatic action **Increase keyword bids to first page CPC**
                   ☑ Max. bid ⑦ $ 3

Requirements ⑦   Status ▾

| ☐ Eligible | ☐ Eligible: limited | ☐ Not triggering ads: critical issues | ☐ Not eligible to run | Remove |

☐ Eligible	☐ Low quality score	☐ Keyword disapproved	☐ Keyword paused or deleted
	☐ Low search volume		☐ Campaign or ad group paused or deleted
	☑ Below first page bid		☐ Campaign pending or ended

Show diagnosis status ⑦

Qual. score ▾   >= ▾   6   Remove

+ Add another

Frequency ⑦   Daily ▾   01 AM ▾   using data from   Previous day ▾   ⑦
(GMT-08:00) Pacific Time
                   hour
                   Note that a rule can start running at any time within the hour you select.

Rule name   Raise bids to first page CPC

Email results   Every time this rule runs ▾

Preview results   Previewing is recommended before saving

Save   Cancel

Figure 10-15. The Rule Automation Tool

3. In the "Apply to" field, select the keywords you would like the rule to apply to. In this case, you're going to target all but the deleted keywords.

4. The Automatic Action is based on the rule you selected from the menu. When increasing bids, be certain to set a maximum bid.

5. Tell Google your requirements. This is where you set the criteria for your rule. The available criteria will depend on the rule you're creating. For this example, you want keywords that are "below first page bid" so you aren't increasing bids on keywords that are already on the first page. You can also add more than one requirement. Here, you're going to specify that the Quality Score should be over 6 so you aren't investing too much on keywords that need to be optimized.

6. The frequency setting tells Google how often to run the rule. You can select one time, daily, weekly, or monthly. In this case, choose to have your rule run daily at 1 a.m. so that it is executing on data from the previous day.

7. Name your rule and select how often you would like to be e-mailed about rule executions.

8. You have the option to preview results. Previewing shows what changes would be made if the rule were to run at the present time. Previewing rule exception results is always recommended.

Once a rule is created, you can see it in the left tree navigation under "Automated rules." When you edit a rule, a new one will be created and the old one will be deleted.

Opportunities and Analyzing Competition

Included in your optimization process should be a review of the information provided in the Opportunities tab in AdWords. Google provides suggestions for budget, keywords, and campaign performance. You can review Google's suggestions based on the goal options shown in Figure 10-16.
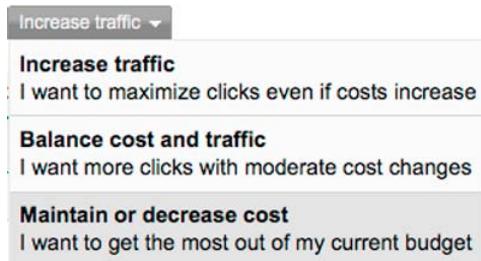
Figure 10-16. Goal options when reviewing Google campaign suggestions

The ideas that Google suggests are listed in the table. There are tabs for both budget and keyword suggestions; however, if Google doesn't have suggestions for one of these categories, the tab for that category won't appear. In Chapter 6 we discussed how to evaluate Google's keyword suggestions within the Opportunities tab. Click on the idea in the table and a pop-up will provide more detailed information. You can choose to implement the suggested ideas directly from this screen. Alternatively, you can select the ideas you deem appropriate and click Apply Now. We don't recommend automatically importing any ideas into your account without first reviewing the implications.

Keyword ideas can be implemented as an experiment. We discuss experiments in the next section. To implement one or more keywords as an experiment, click the keywords ideas you would like to test. In the resulting pop-up, choose the individual keywords and then click "Not ready? Run an experiment." (Figure 10-17). Select a start and end date for your experiment and click Apply Now.
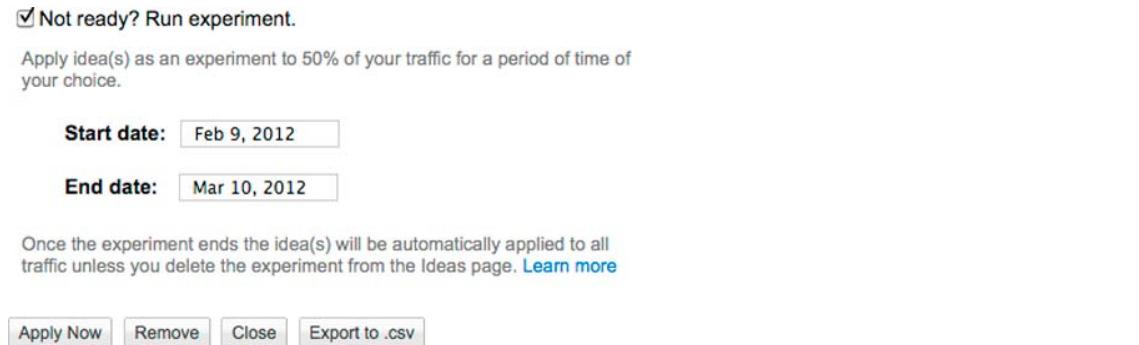
Figure 10-17. Implementing Google's keyword ideas as an experiment

Keep in mind that if you choose to implement some ideas and not others, Google will assume you've reviewed all the ideas and discarded any unwanted ideas. Ideas can also be downloaded and saved.

Also included in the Opportunities tab is the option to analyze competition and see how you're performing compared to other advertisers. Although the interface requires a bit of drilling down to get to the good data, it does provide a wealth of information and a variety of options to see how you are stacking up compared to your competition. There are several uses for this data including keyword mining, impression share data, and click-through rate comparison.

To get started, select "Analyze competition" in the tree navigation on the left. Also from the tree navigation, select the level of data you would like to analyze. You can select as much as all of your online campaigns or a specific ad group. Click on "Filter completion" to select the geographical location of the competitors of interest. You can then select what metric you want to compare: clicks, impressions, CTR, or average position. Figure 10-18 shows sample CTR competitive data. We recommend looking at the data at the ad group level to gain the best actionable data. From the competitive and CTR data shown at the bottom of Figure 10-18, it looks like we have some room for improvement.
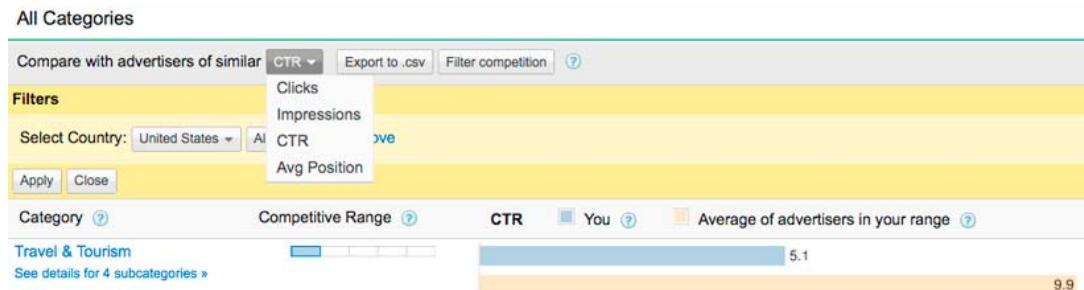
Figure 10-18. Comparing your CTR to the competition

The comparison pertains to the Search Network only and doesn't give specifics on who the other advertisers are.

AdWords Campaign Experiments

As an alternative to making changes and comparing results before and after, AdWords offers AdWords Campaign Experiments or ACE. With ACE, you can see the impact of changes before you apply them to all auctions for which you are eligible. The changes you choose to test are applied to a percentage of your auctions. The experimental group is called the *experimental split* and the group with the original settings is called the *control split*. Testing changes via ACE normalizes the impact of external factors. For example, say you're setting up a campaign for a local tire company. You want to test the impact of increasing your bids, so you've decided to perform a test using ACE. The day after you implement your changes, the first snowstorm of the year hits. Had you just increased your bids you wouldn't be able to tell whether the increase in traffic was caused by the storm or by the bid increases. Google provides data on the statistical significance of the experiment. Statistical significance is based on the number of auctions and the differences in metrics between the control and the split. You can only run one experiment at a time within a campaign, and you can choose to stop the experiment at any time.

We recommend using ACE for well-established, mature campaigns. Here are some areas where ACE can help your decision making:

- Keyword match types

- Restructuring ad groups

- Expanding and reducing keywords

- New ad text

- Keyword bids

- Landing pages

The How-To

To start an experiment with ACE, navigate to Campaign settings ➤ Advanced settings ➤ Experiment, as shown in Figure 10-19.

Advanced settings

⊞ Schedule: Start date, end date, ad scheduling
⊞ Ad delivery: Ad rotation, frequency capping
⊞ Demographic bidding
⊞ Social settings
⊟ Experiment^{BETA}

    Steps for running an experiment Learn more

    1. Specify experiment settings.

    2. Make experimental changes to bids, keywords, and ad groups in your campaign.

    3. Start experiment. As traffic accumulates, statistically significant differences may emerge.

    4. Evaluate experiment. Apply changes fully or remove changes.

    + Specify experiment settings

Figure 10-19. Starting an ACE experiment

Next, click "+ Specify experiment setting," which will launch the screen shown in Figure 10-20. Enter the information as prompted.

Steps for running an experiment Learn more

1. Specify experiment settings.

2. Make experimental changes to bids, keywords, and ad groups in your campaign.

3. Start experiment. As traffic accumulates, statistically significant differences may emerge.

4. Evaluate experiment. Apply changes fully or remove changes.

Specify experiment settings.

Name	[ ]
Control/experiment split ⑦	50% control / 50% experiment ▾
Start ⑦	⦿ No start date (I'll start it manually)
	◯ [ ]
End ⑦	⦿ 30 days from start
	◯ [ ]

Save   Cancel

Figure 10-20. Specifying experiment settings

Once you've activated an experiment at the campaign level, the next step is to define the change(s) you want to test. Campaigns with active experiments display the experiment icon, which looks like a lab

flask with a superimposed green dot next to your ad groups, keywords, and ads, in place of the typical green dot.

How you define your experiment depends on what you want to test. To experiment with new keywords, enter them in the Add Keywords prompt and then select "Add as experiment-only keywords." The same goes for testing new ad text. Create the new ad and then click "Add as experiment-only ad." To experiment with increasing or decreasing bids, go to the keyword level of the account and click Segment ➤ Experiment. Each keyword is segmented by outside experiment, control and experiment. Click on the bid amount within the experiment line of a keyword to adjust the bid to the test amount.

Organize your experiment by setting a "control-only" group, an "experiment-only" group and a "control and experiment" group or (here is where is gets confusing) by selecting an "experiment-only" group and a "control and experiment" group. Where an element falls is evident by the experiment icon displayed by the element. Figure 10-21 shows the options.
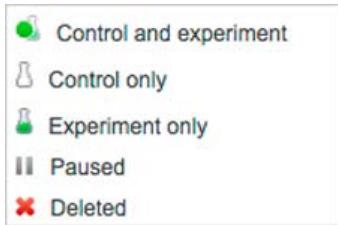
Figure 10-21. Experiment setting options

The "control and experiment" group includes the elements that are outside your experiment. In a 50/50 split experiment, these are the elements that make up the 50% that is not part of the experiment. Inside the experiment, the control and experiment groups are split evenly to test the new elements. The control group can be set as such or the control group can come from the "control and experiment" group.

The next step is to let your experiment run. While your experiment is running, keywords and bids should always remain unchanged, including negative keywords. As the experiment runs, data will be collected under the segmentation tabs. The advantage to using experiments is that Google takes care of determining the statistical significance for you. Google uses blue arrows pointing up to represent three different levels of statistical significance. The more arrows, the greater the confidence you can have that the results of your experiment are due to the changes you made and not to chance. The arrows point up or down to represent increases or decreases in statistical significance, respectively. The probability that changes are due to chance are as follows:

- One arrow = 5% probability

- Two arrows = 1% probability

- Three arrows = 0.1% probability

Once an experiment ends you have the option of applying the experimental changes to your account by going back to the experiment section within the campaign settings and selecting "Apply: launch changes fully." To go back to your original settings, select "Delete: remove changes." Be forewarned, however, that once you apply or delete changes, there is no undo capability. Deleting the changes deletes the experiment and the corresponding data.

Generating Reports

A report can be generated from any table within AdWords. You can export (download) the data in any table by clicking on the ![download icon] symbol above the table. The exported data will match the information displayed in the table. Customize the configuration of the data in the table to match what you would like included in your report. Use the customize columns functionality to select the data columns. In addition, remember to set the date range for the desired set of data. You can also use the filtering and segmenting functionality discussed earlier in this chapter to further refine the data for your report download.

Once you have your desired data, click the download symbol. The options for download are shown in Figure 10-22.
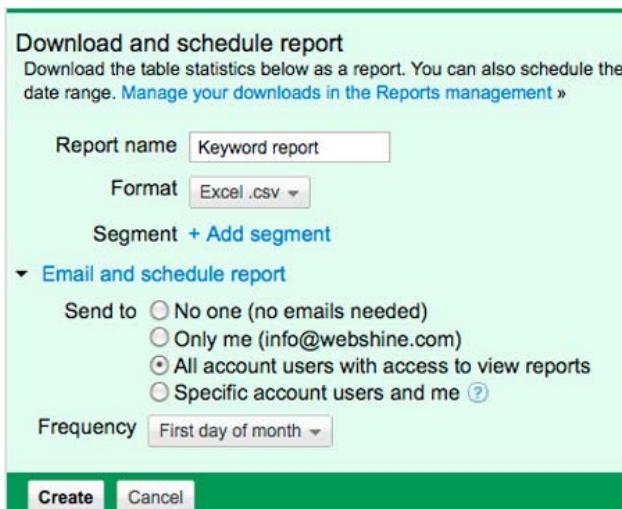
Figure 10-22. *Downloading a report from AdWords*

Choose your format and any additional segmentation. You can choose to have the current data set to rerun and automatically e-mailed to you on a recurring basis. When scheduling report downloads, you can select from daily, every Monday, or first day of the month.

Throughout this book we have touched on several common reports. These include the Keyword Report, the Destination URL Report, the Geographical Report, Ad Performance Reports, and Budget Reports. Find the reports that fit into your workflow and schedule them to be automatically e-mailed to you. Reports can also be created and managed via the My Client Center (MCC), which works as a management console for multiple accounts (discussed later in this chapter).

Comparing Data

In the next chapter, you will delve deeper into your data with the help of Google Analytics. However, there is another tool that can be used to analyze your data: Excel. With a few Excel tricks up your sleeve, you can gain greater insights into your account. The first "trick"—or should we say "function"—that you're going to learn is an Excel function called VLOOKUP.

VLOOKUP

At first blush, this Excel function may seem a bit complex, but it's worth learning as you expand your AdWords management skills. The basic intent behind the VLOOKUP function is to compare data from different locations within an Excel workbook. Let's talk about a practical application in relation to PPC. As mentioned, AdWords doesn't report on past Quality Scores. So, for this example you will compare Quality Scores from two different months of a single campaign.

First, you need Quality Score data from both months. We recommend maintaining a data timeline by downloading your keyword data at least once a month. As outlined in the discussion of the reporting process, you can create a report to automatically run monthly. (Because past Quality Score data isn't available, this information must be previously downloaded and retained over time.)

To start the comparison process, create one workbook with both months of data. Each month should be a separate spreadsheet within the workbook, with the most recent month located in the first worksheet. Start with the workbook containing the most recent month and cut and paste the data from the previous month in a new (second) worksheet. Click back on the tab with the most recent data and navigate to the empty column to the right of the last filled column. Enter your function in the top cell of this empty column. Access the Excel functions drop-down and look for VLOOKUP. The exact location of your functions within this list will vary depending on your version of Excel.

The VLOOKUP function has four arguments.

VLOOKUP(lookup_value,table_array,col_index_num,[range_lookup])

Here's a description of each argument in the VLOOKUP function (values referred to in this list are displayed in Figure 10-23).

- **Lookup value**: This is the numeric value or string you want to match. In this case, you are matching a keyword from one month to a keyword from another month. The beauty of the VLOOKUP function is that Excel does the matching work for you. This allows you to compare data when the keywords aren't in the same row from one sheet to the next. (In reality this will almost always be the case when comparing data across different months.) To enter this argument into your function, click the cell of the first keyword. In this example, this is "[climb Aconcagua]." The cell will be highlighted and the location of the cell will be inserted as the first argument of your function. In this example, that cell is A2. So far, your function looks like "=VLOOKUP(A2". Place a comma after this argument value.

- **Table array**: This describes the area that Excel should use for matching data. In this example, navigate to the tab for the earlier month. Highlight the area, including the keywords and the data you're looking to match up. In this example, the data is on the sheet named "September" and the data is found in the range of cells from A1 to E24. Now your function looks like "=VLOOKUP(A2,September!A1:E24". Again, place a comma after this argument.

- **Col_index_num**: This is where you describe the column that you would like to match. This can be a little confusing at first. Count how many columns to the right Excel must go to retrieve the data, starting at the first column of your specified array. So, if your keywords are in column A and your Quality Scores are in column E, you would enter the number 5. Now your function looks like "=VLOOKUP(A2, September!A1:E24,5". Again, enter a comma after this number.

- **Range_lookup**: This must be a Boolean (or logical) value, either TRUE or FALSE. Always enter "false" for this component (case doesn't matter). This just tells Excel that you would like the match to be exact. Close the argument list with a parenthesis.

The top of Figure 10-23 shows the completed function. The square brackets around the range_lookup argument indicate this argument is optional. If it is not included, it is defaulted to TRUE.

Note that there must be an "=" equal-sign at the front of the function name to conform with Excel's function syntax. This tells Excel to calculate the function and use that as the value of the spreadsheet cell.

Figure 10-23. *An example of a VLOOKUP function creation in Excel*

Now click the small drag-square at the lower right of the highlighted cell (where you just built the VLOOKUP function) and pull it down to the last row to replicate the function for the entire set of keywords. Voila! You have two columns side by side comparing data based on your keywords from month to month. You can take this a step further and repeat this process for more columns of data, such as click-through rates (CTR), clicks, or cost.

This leads us directly to another handy Excel trick, conditional formatting, that can be used for visually flagging data of interest.

Conditional Formatting

Conditional formatting in Excel provides a way to highlight data meeting certain criteria with color-coding or other formatting. This trick is fairly simple, and (in the example we're about to show) allows you to quickly flag Quality Scores that need attention. To start, simply highlight the column containing the data you would like to format. For this example, use the Quality Score. You're going to highlight Quality Scores with a value of 6 or lower. To do this, access the conditional formatting function in Excel. In Excel 2007(Windows), this is in the Styles section of the Home tab. If you're unable to find it in your version of Excel, bring up the Help window and search on "conditional formatting." If you decide you like this function and it isn't on your toolbar, be sure to add it.

Create a rule that highlights cells with values below 7. This helps to point out the keywords with Quality Scores that need improvement (Figure 10-24).

Keyword	Quality Score
[blue widgets]	7
[big blue widgets]	4
"big blue widgets"	4
"green widgets"	4
[green widgets in tampa]	9
[round widgets]	7
[purple widgets]	6
big purple widgets	3
[square widgets]	4
small square widgets	7
[small widgets]	4
+purple +square +widgets	7
+green +round +widgets	7
+square +widgets	6
[green square widgets]	8
[green round widgets]	6

Figure 10-24. An example of conditional formatting in Excel

PivotTables

AdWords and Google Analytics can generate reports containing quite impressive amounts of data with hundreds or thousands of records involved. The raw data can contain a lot of gold, but how do you

extract it? PivotTables (sometimes called *cross-tabulation tables*, or *cross-tabs*) are one way of aggregating or summarizing large volumes of data. In this section, we show a simple example of using a PivotTable to aggregate and summarize data in Excel. In Chapter 11, we cover how you can generate PivotTables directly in Google Analytics.

A Rudimentary Example of a PivotTable

For those who are unfamiliar with PivotTables, let's walk through a simple example. Figure 10-25 shows some imaginary sales data for Barry Guüde Ice Cream, an imaginary ice cream manufacturer: it shows sales (dollars and units) over two months by sales person, flavor, and sales region.

	A	B	C	D	E	F	G
1	Year	Month	Salesperson	Product	Sales $	Units	Region
2	2012	Jan	Monroe	Vanilla	2686	215	Atlantic
3	2012	Jan	Bankhead	Chocolate	3863	309	Pacific
4	2012	Jan	Gable	Coffee	4388	351	Midwest
5	2012	Jan	Valentino	Mint	9768	781	Mountain
6	2012	Jan	Brando	Vanilla	4521	362	Midwest
7	2012	Jan	Bogart	Mint	3141	251	Pacific
8	2012	Jan	Bankhead	Chocolate	4252	340	Midwest
9	2012	Jan	Valentino	Mint	3090	247	Atlantic
10	2012	Feb	Brando	Chocolate	5440	435	Mountain
11	2012	Feb	Valentino	Coffee	2896	232	Atlantic
12	2012	Feb	Gable	Chocolate	4528	362	Pacific
13	2012	Feb	Bogart	Coffee	8765	701	Mountain
14	2012	Feb	Monroe	Chocolate	5522	442	Atlantic
15	2012	Feb	Gable	Coffee	4422	354	Pacific
16	2012	Feb	Valentino	Vanilla	8633	691	Mountain
17	2012	Feb	Brando	Vanilla	8744	700	Pacific
18	2012	Feb	Bankhead	Mint	8361	669	Midwest

Figure 10-25. Excel spreadsheet of Barry Guüde Ice Cream sales data

Barry would like to see how sales numbers compare across regions for the two months shown in the spreadsheet. All the data is there; it's simply a matter of aggregating or summarizing it in the appropriate way. You could sit down and total up the data by hand, but this would be next to impossible if the spreadsheet contained tens of thousands of rows over a long timespan. Excel provides a wizard for creating a PivotTable that will display the regional totals in an easy-to-read format. We won't go into the finer details of what you can do with Excel PivotTables in terms of filtering, formatting, etc., but you can use the Excel help facility to delve into this subject or refer to any of a number of online articles on the subject[1].

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[1] For example, "PivotTable Reports 101," `http://office.microsoft.com/en-us/excel-help/pivottable-reports-101-HA001034632.aspx`

PivotTables are a very powerful tool for extracting and summarizing large amounts of data, and Excel and (most) database systems provide extensive tools for creating and managing PivotTables. Figure 10-26 shows the PivotTable generated in Excel for the sales data displayed in Figure 10-25. The procedure for generating the table in Excel will be covered in the next section.

Sum of Sales $ Column					
Row Labels	Chocolate	Coffee	Mint	Vanilla	Grand Total
Atlantic	5522	2896	3090	2686	14194
Midwest	4252	4388	8361	4521	21522
Mountain	5440	8765	9768	8633	32606
Pacific	8391	4422	3141	8744	24698
Grand Total	23605	20471	24360	24584	93020

Figure 10-26. Excel PivotTable of Barry Güide Ice Cream sales aggregated by region

This is exactly what Barry is looking for: it tells him how each of his sales regions stacks up against the others, and it gives him a start at knowing where to drill down into the data to find the leverage points. (Actually, what would be of even more interest would be to include regional population and cost-of-sales data in order to calculate per-capita sales and per-capita cost of sales by region, but that's a discussion for another day.)

Generating an Excel PivotTable from GA Data

To describe how PivotTables can be generated in Excel from data imported from Google Analytics reports, we'll stay in the example mode. (But be aware that the procedures for creating a PivotTable in Excel can be different in different versions and OS implementations of Excel.)

For this example, let's use a Paid Search Traffic report for a vacation property rental business. This is the same example used in the section on creating GA PivotTables in Chapter 11. The data was generated from the AdWords account of a real business, which we've renamed to "Barry Güide Vacation Rentals" for the purposes of this explanation. If you're up and running in Google Analytics and have sufficient data to work with, you can follow along with your own data and report; so select an account and campaign that you know has generated a reasonably high volume of data.

To bring up the report in GA, navigate to the report by going to Standard Reporting ➤ Traffic Sources (left frame) ➤ Sources ➤ Search ➤ Paid. This should bring up the Paid Search Traffic Report (Figure 10-27).
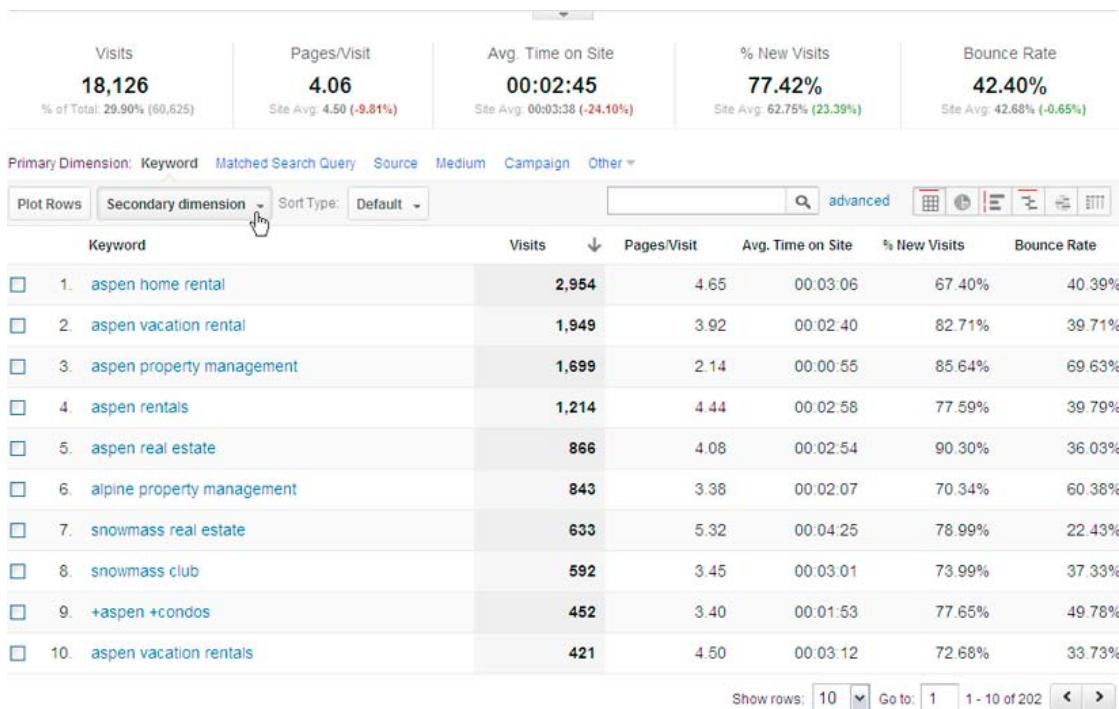
Figure 10-27. Paid Search Traffic Report in GA for Barry Guüde Vacation Rentals (first ten rows)

We're interested in seeing this data broken out by state (called region[2] in GA), so click the Secondary dimension drop-down at the left of the menu bar and select Region (Figure 10-28) for the secondary dimension. This breaks out the data for each combination of keyword (first dimension) and state/region (second dimension). Note that in Figure 10-27 there are 202 rows in the report (lower right corner of the figure). Once we have broken out the page visits by keyword and region, the number of rows will be substantially larger.

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[2] "Regions" is the generic term used in GA for sub-national geographic or political entities within countries, otherwise known as states in the US, provinces in Canada, and cantons in Switzerland.
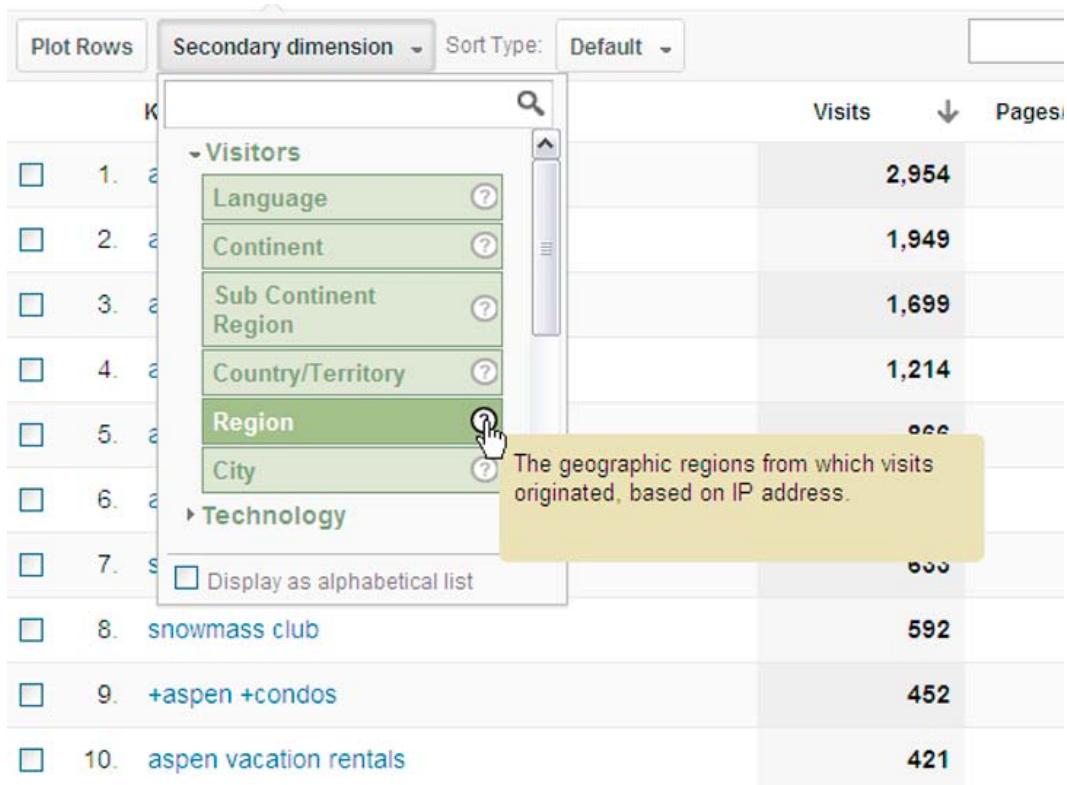
Figure 10-28. Adding Region as a secondary dimension in the Paid Search Traffic Report

Figure 10-29 shows the top ten rows of the report with region added as a secondary dimension.

Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate
18,126	**4.06**	**00:02:45**	**77.42%**	**42.40%**
% of Total: 29.90% (60,625)	Site Avg: 4.50 (-9.81%)	Site Avg: 00:03:38 (-24.10%)	Site Avg: 62.75% (23.39%)	Site Avg: 42.68% (-0.65%)

Primary Dimension: Keyword   Matched Search Query   Source   Medium   Campaign   Other ▾

Plot Rows   Secondary dimension: Region ▾   Sort Type: Default ▾

		Keyword	Region	Visits ↓	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate
☐	1.	aspen home rental	Colorado	431	3.75	00:02:30	74.48%	40.60%
☐	2.	aspen home rental	Texas	396	5.70	00:03:57	74.75%	32.83%
☐	3.	aspen property management	Colorado	382	2.82	00:01:33	71.73%	58.12%
☐	4.	aspen vacation rental	Texas	284	3.74	00:02:52	77.46%	39.79%
☐	5.	aspen vacation rental	Colorado	279	3.57	00:02:39	74.19%	42.29%
☐	6.	aspen home rental	Florida	266	5.42	00:03:40	71.43%	27.44%
☐	7.	aspen home rental	New South Wales	264	1.51	00:00:43	5.30%	90.53%
☐	8.	aspen home rental	California	238	4.59	00:02:53	70.17%	37.39%
☐	9.	alpine property management	Oregon	232	1.42	00:00:13	92.67%	81.90%
☐	10.	aspen home rental	New York	217	5.61	00:04:36	69.59%	28.11%

Show rows: 10 ▾   Go to: 1   1 - 10 of 2247   ❮ ❯

Figure 10-29. After adding region as a secondary dimension to the paid search traffic report

Note that there are now 2,247 rows but only the top 10 rows are shown (highlighted by the ellipse in the lower right of the figure). Region has been added as a column to the right of the Keywords column. Also take note of the fact that New South Wales (a state in Australia, listed as row 7 in Figure 10-29) is one of the regions included. This is as we might expect, since traffic from *all* regions—not just those within the US—is included in the report.

Let's say we want the report to include only US traffic. How do we accomplish this? We can use a segment to filter the data to include only traffic originating from states in the US. Figure 10-30 shows the interface for creating a custom segment. (We discussed segments earlier in this chapter, as well as in Chapter 11.) Click on the Advanced Segments button immediately under the Paid Search Traffic Report title.
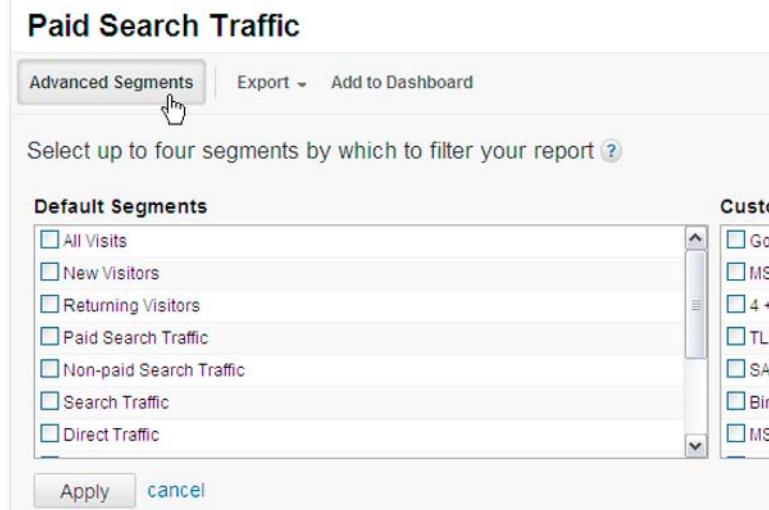
Figure 10-30. Click on the Advanced Segments button to create a new custom segment

This brings up the interface for creating a new custom segment (Figure 10-31).
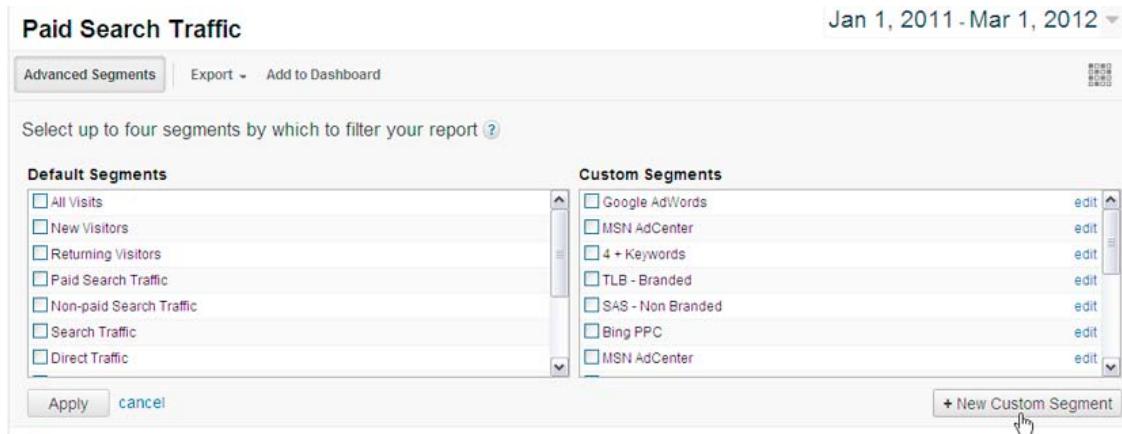
Figure 10-31. Creating a new custom segment

Clicking the +New Custom Segment button presents the interface for configuring the new segment (Figure 10-32). Name the segment "United States," as shown in the figure. Leave the Include drop-down selected and click the drop-down arrow to select Country/Territory. Select "Exactly matching" on the next drop-down, as shown in the figure. If you begin typing in the text selection box, you should get a list of country names that match your typed fragment. Select United States, as shown in the figure.

Paid Search Traffic

Figure 10-32. Creating the custom segment for United States

Click the Save Segment button and the report will be regenerated with this new segment that filters for US states (Figure 10-33).

Figure 10-33. Paid Search Report for US regions only

Note that New South Wales is no longer there. In this figure, we've clicked on the "Show rows" drop-down (bottom right). Note that you can pick several selections, ranging from 10 to 500 rows, but that the report indicates there are a total of 1,877 rows. (This is less than the 2,247 we had earlier, since we've filtered out non-US regions.) If we are going to generate a PivotTable based on this data, however, we need the full data set of 1,877 rows, not just 500, which seems to be the maximum set provided in the report interface. There are two possible ways of dealing with this problem. One way is to use the GA Core Reporting API, but this is beyond the scope of this book, so we won't follow this particular option[3].

A second way is to trick GA into giving you the full set of rows when it generates the report. This is relatively painless, once you get the hang of it. Take a close look at the URL generated by GA in your browser when the Paid Traffic Report has been generated. If you select "500" in the "Show rows" drop-down, then click in the address bar and scroll to the end of the URL string, you should see something like the following URL fragment at the end:

…%26explorer-table.rowCount%3D**500**/

The "500" (bolded) at the end of the URL corresponds to the number of rows to be generated. (Note that it could be something smaller than 500 if you've selected a smaller number of rows to display in the browser report interface.) We already know that 1,877 rows were generated for the report, but only 500 are available in the browser. If you highlight the "500" at the end of the URL and change this to "1877" then hit return, you will find that the full set of rows will be returned in your browser.

As is often the case with this type of ad hoc workaround, there may be inherent limitations that come into play as reports become much larger. With 1,877 rows, it takes a few seconds to generate and load the report, but it works. We haven't tried this with reports involving tens or hundreds of thousands rows, so you may see slower performance with larger reports.

The next step is to export the report to an Excel CSV file (comma separated values). Click the Export drop-down immediately under the Standard Reporting tab at the top of the page, then click CSV (Figure 10-34).
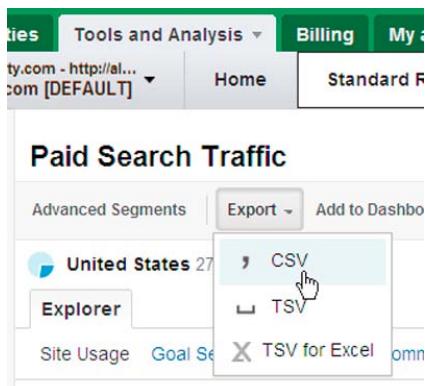
Figure 10-34. Exporting the report to a CSV file

Save the file to an appropriate location, but change the extension from `csv` to `txt` before saving. The reason you want a `txt` extension is that you want to force Excel to use the Text File Import Wizard when

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[3] See "Google Analytics: What Is The Core Reporting API? – Overview,"
`http://code.google.com/apis/analytics/docs/gdata/v3/gdataGettingStarted.html`

you open the file in Excel. Using the wizard enables you to control the data format for each column. If — as is the case with this report—you are importing keyword strings (column 1 of the report), these often have a + (plus) leading character, which can cause Excel to think it is importing a formula string, and this will raise an error. Changing the format to be text rather than general will prevent this error from occurring during the import process (Figure 10-35).
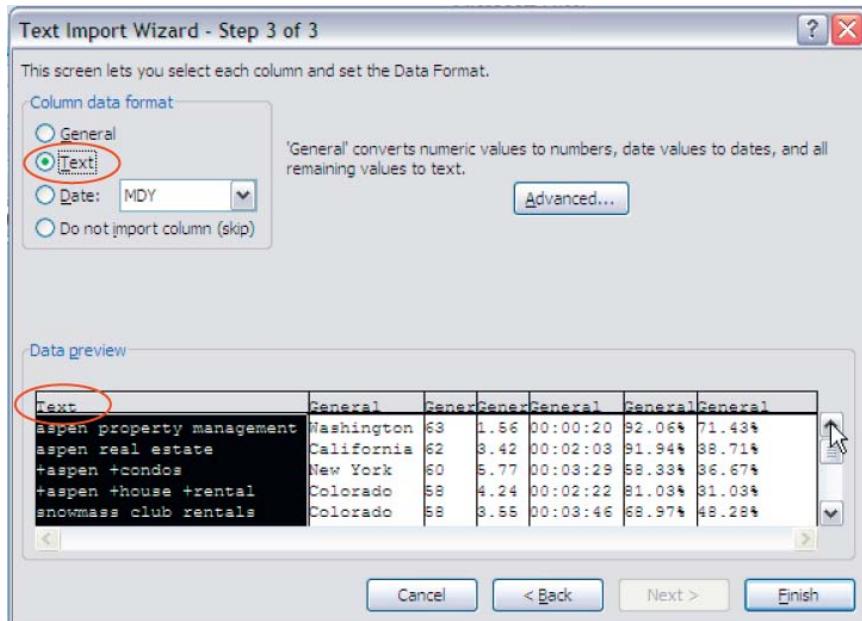
Figure 10-35. *Using the Excel Text Import Wizard to control imported data formats*

Figure 10-36 shows the resulting Excel spreadsheet (header row and first seven rows, after a bit of reformatting).

	A	B	C	D	E	F	G
1	Keyword	Region	Visits	Pages/ Visit	Avg. Time on Site	% New Visits	Bounce Rate
2	aspen home rental	Colorado	431	3.75	0:02:30	74.48%	40.60%
3	aspen home rental	Texas	396	5.7	0:03:57	74.75%	32.83%
4	aspen property management	Colorado	382	2.82	0:01:33	71.73%	58.12%
5	aspen vacation rental	Texas	284	3.74	0:02:52	77.46%	39.79%
6	aspen vacation rental	Colorado	279	3.57	0:02:39	74.19%	42.29%
7	aspen home rental	Florida	266	5.42	0:03:40	71.43%	27.44%
8	aspen home rental	California	238	4.59	0:02:53	70.17%	37.39%

Figure 10-36. *Paid Search Traffic Report exported to Excel (top few rows)*

The following walk-through is based on the Windows version of Excel 2007. Other versions of Excel, or other OS implementations, may present somewhat different interfaces that don't entirely correspond

to the steps described here, but the general procedure should be fairly clear. If issues come up for you in trying to follow the procedure given here, it's best to refer to the help facility in your version of Excel.

With the imported data open in Excel, select the entire cell range of the data, including the column headings, but excluding the very last row, which has totals and averages that you don't want incorporated as part of the PivotTable. Click the Insert tab on the tab ribbon at the top of the screen, then the PivotTable drop-down, and select PivotTable (Figure 10-37).
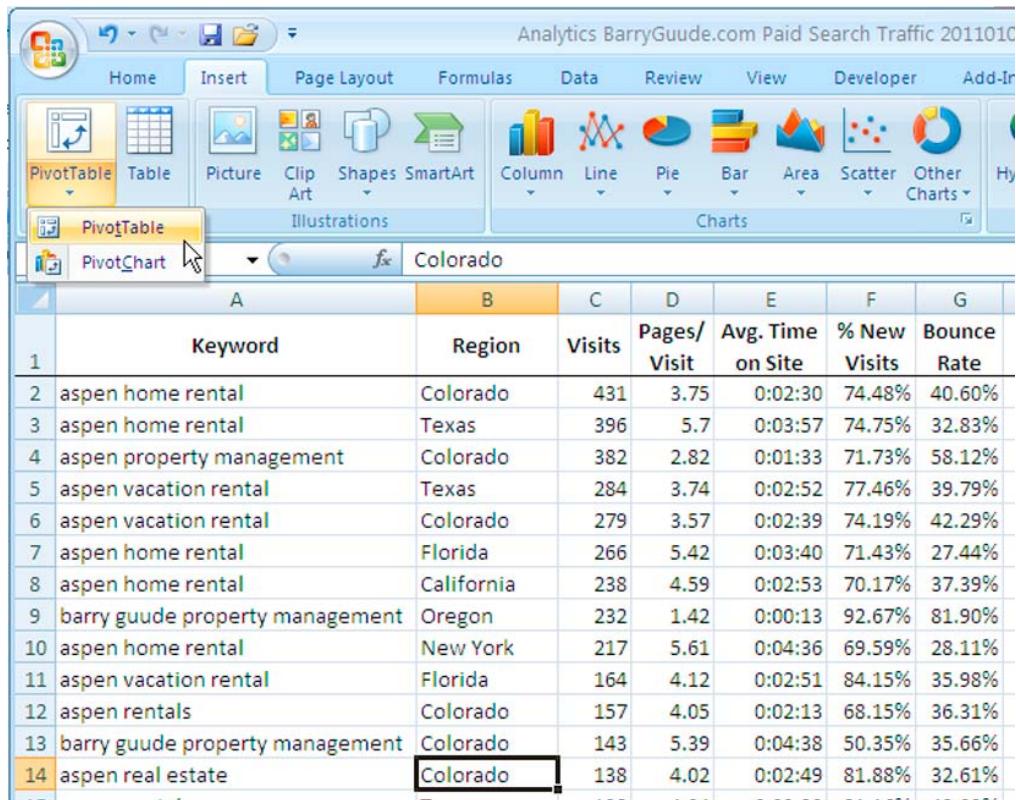
Figure 10-37. Setting up to generate the PivotTable in Excel

A dialogue window will pop up, as shown in Figure 10-38. The Table/Range cell range you've already highlighted should be defaulted in the associated Table/Range prompt, as shown in the figure. Leave the "Select table or range" radio button selected, along with the New Worksheet radio button for where you would like the PivotTable to be placed. Then click OK.
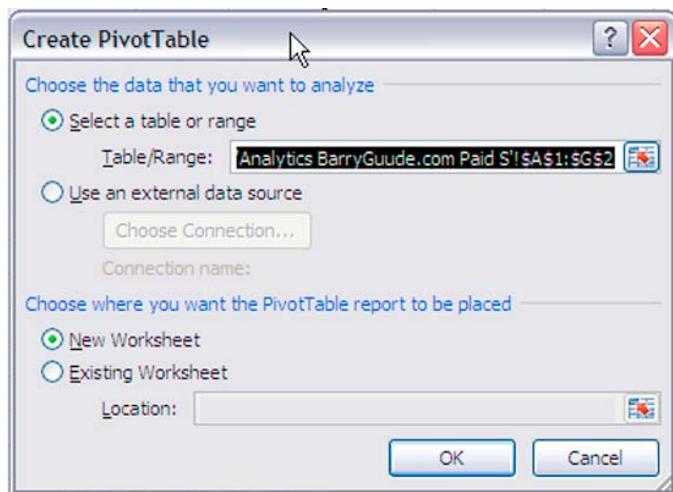
Figure 10-38. *Create PivotTable dialog*

This results in a new spreadsheet tab being opened in the existing workbook, with a PivotTable Field List Wizard that allows you to select the fields to include in the report (Figure 10-39). You should see a box at the left of the spreadsheet with a label like PivotTable1, as shown in the figure. If you click a cell outside of this box, the wizard will disappear, but it should be displayed as long as a cell inside the box is selected.

Figure 10-39. *PivotTable Field List Wizard*

Now you can select the fields to include in the report in the wizard box labeled "Choose fields to add to report." Select the top three: Keyword, Region, and Visits (Figure 10-40). By default, the Keyword and Region fields are added to the Row Labels box in the wizard, and the Visits field appears as "Sum of Visits" in the ∑ Values box since it is numeric. You want the Region values (state names) to display as column headings, so click and drag Region from the Row Labels box to the Column Labels box, as shown by the arrow in Figure 10-40.
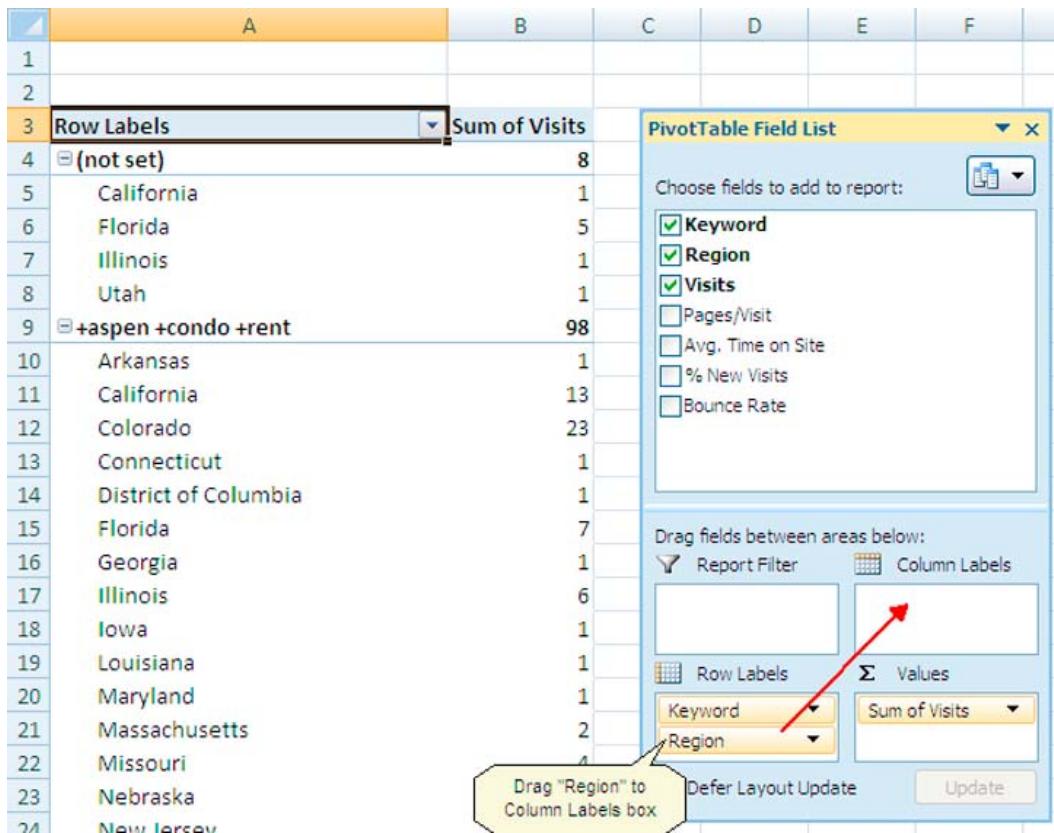
Figure 10-40. *Selecting the fields to include in the PivotTable*

Figure 10-41 shows the result of this reconfiguration. This puts the PivotTable more or less into the form you want, except for a few formatting and sort settings. Close the wizard so that you can take care of these additional tasks. Next, sort the table so that the highest page visits grand totals for keywords and for states are at the top left corner of the table.

Figure 10-41. *Raw PivotTable setup completed*

Click the Row Labels drop-down (upper left) and select More Sort Options (Figure 10-42).
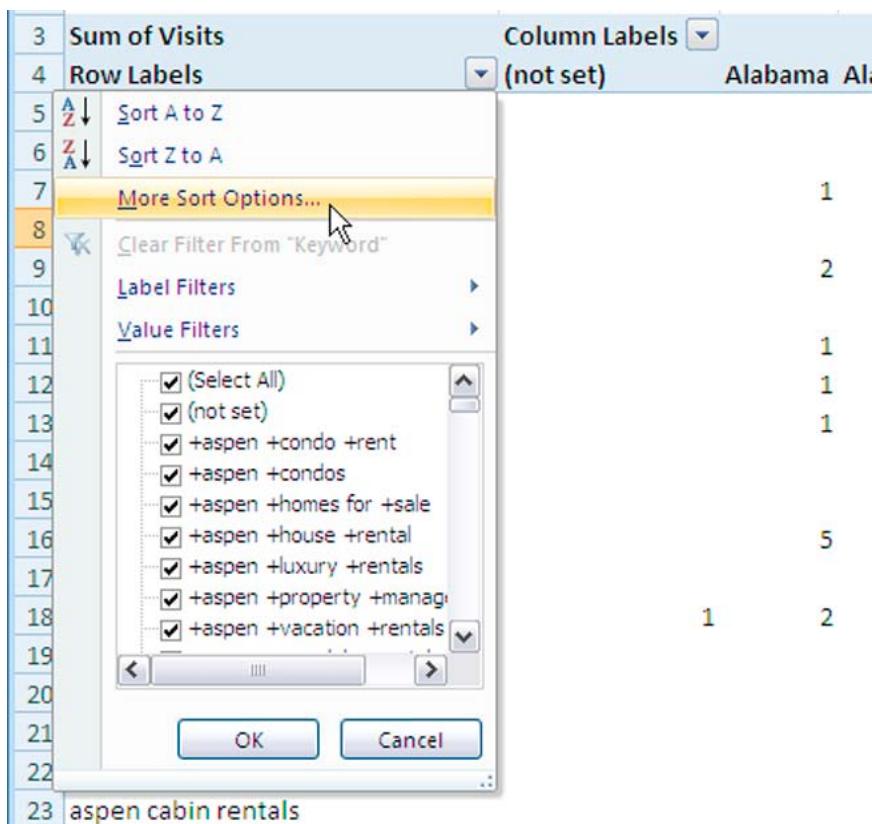
Figure 10-42. *Setting up to sort on sum of visits for rows*

This brings up the Sort (Keyword) dialog shown in Figure 10-43. You want to sort by sum of visits in descending order, so click the Descending radio button and select Sum of Visits in the column label drop-down, as shown in the figure.
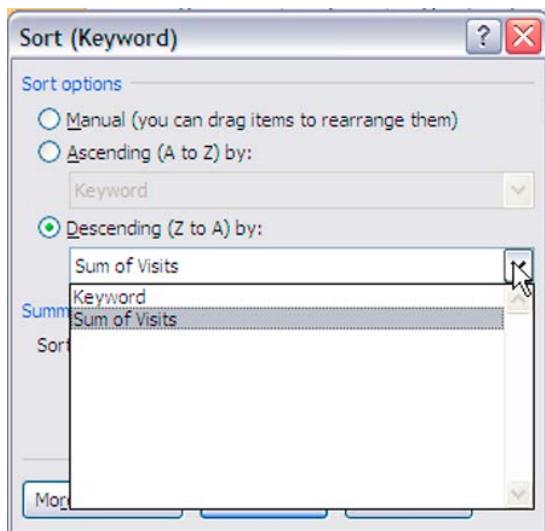
Figure 10-43. More Sort Options dialogue

Finally, click the More options button (lower left of the dialogue) to bring up a secondary More Sort Options (Keyword) dialogue (Figure 10-44). Under "Sort by," select Grand Total as the sort column and click OK in both dialogues.

Figure 10-44. Selecting Grand Total as the sort column for rows

If you scroll all the way to the right in the PivotTable, you should see that the rows are now sorted by descending order on the Grand Total (last) column. (Note that the left (Keywords) column of the table has been frozen in the spreadsheet display, so that it continues to display as you scroll right to the last column.) This table shows that the keywords "aspen home rental" and "aspen vacation rental" have generated the first (2,654) and second (1,944) highest number of page visits for all searches, across all states, over the time period for the data (Figure 10-45).

Sum of Visits							
Row Labels	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming	Grand Total
aspen home rental	2	32	49	3	21		2654
aspen vacation rental	2	32	23	8	19		1944
aspen property management	3	6	63	4	15	9	1593
aspen rentals	2	27	5		9	8	1209
aspen real estate		15	48	1	12	5	845
alpine property management	2	4	36		2	4	838
snowmass real estate		15	7		7	1	631
snowmass club		9	8		4	1	592
+aspen +condos	3	7	5	1	2	6	448
aspen vacation rentals		6	3			1	409

Figure 10-45. PivotTable with Keywords (rows) sorted by grand total of page visits

Now you would like to sort on the grand total for the states (columns) as well. To do this, click the Column Labels drop-down and follow exactly the same procedure you just went through for sorting on the row labels. This will sort the state columns by descending order on grand total for page visits (Figure 10-46).

Sum of Visits	Column Labels					
Row Labels	Colorado	Texas	California	Florida	New York	Illin
aspen home rental	431	396	238	266	217	
aspen vacation rental	279	284	138	164	122	
aspen property management	382	90	107	74	34	
aspen rentals	157	138	118	114	91	
aspen real estate	138	67	62	42	53	
barry guude property management	143	54	70	29	28	
snowmass real estate	133	82	41	54	43	
snowmass club	134	68	36	47	49	
+aspen +condos	52	65	51	27	60	
aspen vacation rentals	82	51	42	42	24	
+aspen +house +rental	58	45	53	42	50	
aspen luxury rental	44	43	15	27	42	
snowmass club rentals	58	39	16	26	17	
aspen house rentals	33	30	38	27	15	
+snowmass +condos	32	17	12	24	16	
aspen rental homes	32	24	17	22	22	
aspen homes for sale	32	27	12	20	17	

Figure 10-46. PivotTable sorted by descending order for both keywords and states

Now that you've sorted by descending order on grand total of page visits for both keywords and states, the highest traffic for both dimensions is concentrated in the upper left corner of the table. Based on a quick look at the table, you can see that the three states generating the greatest amount of traffic for the most productive keywords are Colorado, Texas, and California.

This is good information, but how you act on this information is another matter. Should you set up campaigns to focus more budget on these high-production states and keywords? It's hard to say without undertaking more research, possibly involving A/B testing (see Chapter 12).

In any event, this exercise should demonstrate the value that PivotTables can provide by aggregating and sorting large amounts of data. Some other possibilities for the analysis of your campaigns through the use of Pivot Tables might include the following:

- CTR vs. CPC

- Match types vs. CPC

- Ad position vs. conversion rate

- Ad position vs. Quality Score

If you haven't worked with PivotTables before, but you've followed carefully through the present exercise, you should have a sense of how much analytical horsepower this particular tool provides. It's a great tool to have in your toolbox, both on the Excel side and the Google Analytics side. PivotTables in Excel provide very useful filtering and formatting features that aren't available in a web-based tool like GA. But knowing how to work with PivotTables in GA also has its advantages. We talk more about creating PivotTables directly in Google Analytics in Chapter 11.

Managing Multiple Accounts in My Client Center

When managing multiple accounts, AdWords' My Client Center (MCC) serves as an umbrella account management facility across multiple accounts, clients, or businesses. MCC provides the advantage of a single login to access multiple accounts, a dashboard of all linked accounts, and alert functionality. It can be a huge timesaver compared to the alternative of logging into and out of individual accounts. From the MCC interface you can easily navigate between accounts, run reports, and see statistics for all your accounts.

To create an MCC account, go to `www.google.com/intl/en/AdWords/myclientcenter/.` Click "Sign up now" and follow the instructions. You will need a Google account that isn't already associated with an AdWords account.

If the Google account you'd prefer to use for your MCC login is already associated with an AdWords account, you need to free up this Google account before you can use it as an MCC login. By "freeing up," we mean you have to dissociate your main Google account from the existing AdWords account. It's a little confusing but worth the effort to use the Google account that's most convenient for you.

Here are the steps for unlinking a Google login from an AdWords account. If this doesn't pertain to you, skip the following steps.

1. Create a new Google account, which will replace the login for your current AdWords account.

2. Add the new Google account to the AdWords account that's currently accessed via your main Google account. To do this, navigate to the My account tab and click "Account access." Click the +invite other users button and invite your new Google account with Administrative access. Login to the e-mail associated with the new Google account, accept the invitation, and follow the prompts.

Next, log in to your AdWords account with your main Google login and click Grant Access next to the new e-mail user.

3. Log out and log in again with the new Google account. Now you're ready dissociate the main Google account so it can be used as the MCC login. Under Account Access, use the pull-down menu next to your main Google account user and click "Terminate access." At this point, only your new Google account is associated with the AdWords account and your main Google account can be used to create the MCC account.

What You Can Do in My Client Center

There are a variety of tasks that you can perform through the MCC interface (Figure 10-47).
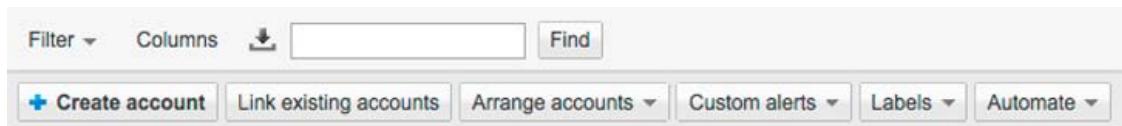
Figure 10-47. Task categories in MCC

Let's run through some of the more important actions in the MCC.

- **Create an account**: You can create a new AdWords account directly from the MCC. This allows you to skip the process of linking the accounts at a later time.

- **Link existing accounts**: You can add previously created AdWords accounts by clicking on "Link existing accounts" and adding the customer ID for each account you're managing. Each AdWords account has a ten-digit Customer ID that can be found in the upper right corner on each page of the AdWords interface. Enter the customer ID or IDs and click Continue. The client will need to login to their AdWords account and go to My Account ➤ Account Access. Under the Client managers section they will need to click the Accept request button.

- **Arrange accounts**: This is where you go to unlink accounts from your MCC.

- **Custom Alerts**: This lets you create alerts to notify you when certain events occur or when thresholds are reached. Figure 10-48 shows an example of the alert criteria options at the account level. In addition to custom alerts, the MCC displays any alerts that have been created within an account. Alerts are displayed in the Alerts column on the Performance tab.
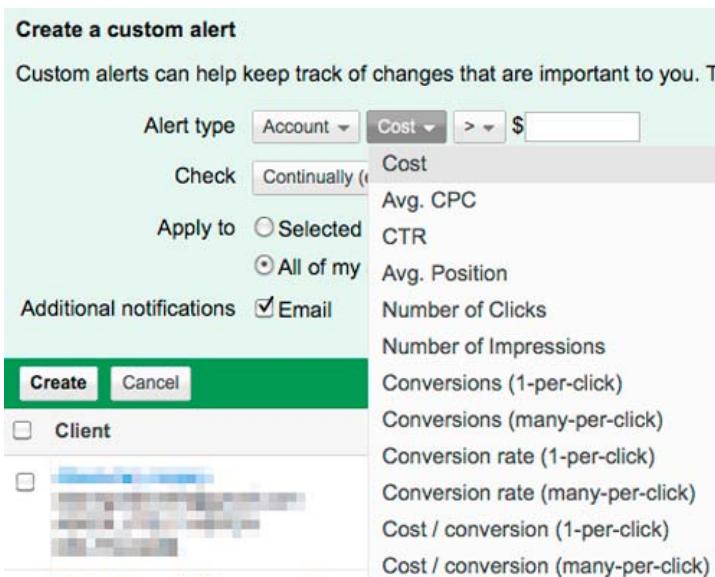
Figure 10-48. Custom alert options

- **Labels**: This lets you tag accounts with labels to better organize your accounts. Once a label is created, it is listed in the navigation frame on the left. Click the name of the label and only accounts with that label will be displayed.

- **Automate**: Allows you to create rules at the MCC level. This functionality works the same as the rule functionality described earlier; however, you can create rules for multiple accounts.

- The Budget tab displays statistics regarding budget and spend for each account.

It's also possible to manage other people's MCC accounts as a nested MCC. This may be useful if you have a client who has multiple AdWords accounts managed through an MCC of their own.

Summary

To start gaining an understanding of how your account is performing, the first step is to understand what you've spent and what you've gained from this expense. Simply seeing what you've spent is a good way to get a feel for what is going on in your account and whether your current account structure and campaign settings are in alignment with your budget. Impression share data tells you how often your ad appeared out of the available auctions. Google tells you if you're missing impressions because of lack of budget or low ad rank. As we have emphasized throughout this book, Quality Score is an important component in the success of your campaigns. When optimizing your account, look for ways to improve Quality Score and you will increase the overall health of your account. Keywords, ads, and landing pages work together to determine your Quality Scores. Optimization in these areas will help to improve your Quality Score.

The AdWords interface contains a wealth of data. Segmentation and filtering are two ways to structure data to better understand where your account is performing well and where you can make

improvements. Bid management is at the core of meeting your ROI and CPA goals. Use your conversion data to make intelligent bid changes. Rules are an automated way to make changes to accounts based on criteria you select. Use this functionality to streamline your daily, weekly, and monthly task list. Google supplies suggestions in areas of opportunity within the AdWords interface. Review its suggestions and ideas. If you're not ready to completely implement a change or a new campaign, consider creating an experiment. An experiment allows you to test possible changes by comparing results with the changes implemented and without the changes implemented. There are several ways to view your AdWords data.

You can generate reports within the interface or consider using Excel to manipulate and analyze data. Exporting report data to Excel and using Excel's PivotTable facility is an excellent way of aggregating and summarizing report data sets in a way you can see important patterns or trends. Google Analytics also supports the generation of PivotTables, which will be covered in Chapter 11. When managing multiple accounts, create a My Client Center for easy access.

In addition to the data provided within AdWords, we recommend using Google Analytics to better understand your visitors' behavior and to gain more insight into how AdWords is performing in relation to your other marketing efforts. In the next chapter, we will highlight how to use Google Analytics to better understand and to improve your AdWords account.

CHAPTER 11

Google Analytics and Actionable Data

"I often say that when you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meagre and unsatisfactory kind; it may be the beginning of knowledge, but you have scarcely in your thoughts advanced to the state of Science, whatever the matter may be."

-Lord Kelvin, Electrical Units of Measurement, 1883

"It is a capital mistake to theorize before one has data."

-Sherlock Holmes in *A Scandal in Bohemia*

If we were to describe the culture at Google in a single phrase, "data driven" might come to mind. "Evidence based" might be another way of saying it, but in Google's engineering culture, this amounts to the same thing: data. If you don't have the data, you don't have the picture.

Google's core technology—its search engine—was, and is, relentlessly tested against the data in terms of relevance and performance. The best way to win a technical argument at Google is by force of the numbers; without the data and the analysis, you're not going to convince anyone. And at Google, an important way of getting the data is through experiment and testing.

A consequence of this data-driven culture is that the company has developed all manner of tools and applications for generating, testing, and working with data. Some of these tools have web-based interfaces, some are only used internally, while others are tuned and polished so that they can be made available to users and customers.

Google Analytics (GA) is a free, web-based service that generates and reports statistical data over time about user visits and actions on web site pages. It's based on web analytics software developed by Urchin Software, a company Google acquired in April 2005. In August 2010, one source reported half of the top one million web sites (in terms of traffic) used GA[1], so it's clearly the web analytics tool with the dominant market share.

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[1] The Metric Mail Blog, "Google Analytics Market Share," `http://metricmail.tumblr.com/post/904126172/google-analytics-market-share`, accessed November 2011.

As we discussed in Chapter 3, using GA together with AdWords allows you to track how your ad campaigns are performing in terms of conversions or goals and provides on-site visitor behavior statistics. Goals are typically defined as sales but can also be defined as other types of events, such as subscriptions, visits to a particular page, downloads of files, or lead generations (e.g., filling out a form). GA also tracks the sources of traffic or referrers (such as search engines or links from other web sites), how long a visitor stays on a page, and visitors' geographic locations. The GA toolset is important for identifying well-performing or poorly performing web pages on your web site and can be used in conjunction with Google Website Optimizer (covered in Chapter 12) for running tests to optimize the performance of a web page.

Once mastered, GA provides a detailed look at your AdWords campaign and helps you understand how AdWords is performing compared to other marketing activities. The goal of this chapter is to help you devise a plan for using GA to improve your AdWords campaign. Without such a plan, it's easy to immerse yourself in "report browsing," which can be an inefficient use of time. Those who start working with Google Analytics—even seasoned professionals—have been there. A typical experience is going to GA to check on your AdWords statistics and an hour later your head is spinning. So much data, so little time. If you don't have goals in mind as your ponder your GA results, you will see a lot of information but very little that's "actionable." This chapter focuses on how to produce actionable data quickly in order to manage and improve the performance of your AdWords account.

Murder, She Wrote

Before we get into the technical details of GA, we would like to tell a story about one person's experience with this tool. Laura Amico is founder and editor of Homicide Watch, an online reporting project that covers every murder in the District of Columbia. According to her "About Us" page, Laura uses "original reporting, court documents, social media, and the help of victims' and suspects' friends, family, neighbors and others." The project covers every homicide from crime to conviction in the District of Columbia—clearly a very ambitious project.

Laura uses Google Analytics on a daily if not hourly basis to follow and analyze the traffic on her site. When it comes to something with as much social impact as a homicide, word-of-mouth gets around the neighborhood very quickly, and this can be reflected in traffic patterns within minutes or hours on a web site like Laura's. On May 4, 2011, Laura was using GA to see what was happening on her site when she saw four searches occur that immediately drew her attention.

These are Laura's own words from her blog about what happened that day:

> *Here's the step-by-step.*
>
> 1. *I had four searches for "20 year old male killed on fort stanton se may 4" in my search terms this afternoon, but in my records, I didn't have any homicide that met that criteria, and I wasn't aware of anything that has happened today, May 4.*
>
> 2. *Searches for "Fort Stanton homicide" failed, so I tried a more general approach. I searched "RIP" in realtime and sorted results to those nearby on Google. That yielded a truckload of RIP Twitter messages to "Fonnie," including some photos of a man who looked to be about 20 years old.*
>
> 3. *So I took the search term "RIP Fonnie" to Facebook where I found a memorial poster with the birthdate 7-14-90 and the death date of 5-4-11.*

> *4. At this point I knew that a DC man named or nicknamed Fonnie died, and was likely killed, on May 4. But my only geog raphic clue was that initial search on my site, which said Fort Stanton. So I reached out to two people a) Gwen Crump, the MPD [Metropolitan Police Department] spokesperson and b) Ron Moten, the co-founder of Peaceaholics. I reached Ron first, he confirmed that a 20 year old male had been stabbed to death in Woodland Terrace, near Fort Stanton, and that he had died at a local hospital early Wednesday morning. But he didn't know the exact address where the crime occurred or the guy's name. Then Gwen called. She confirmed the homicide, gave an address, and IDed the victim as 20 year old Alphonzo Epps.*
>
> *The whole process took about an hour, start to finish.*[2]

This is a good example of a creative use of Google Analytics (along with collateral sources of data) applied by an enterprising community journalist. Laura states that she used analytics to identify homicide victims "early, first, and correctly" about a half-dozen times in 2011[3]. GA can be a very powerful tool in the hands of someone who has taken the time to become proficient with its application. If it can be used to ferret out an unreported homicide, it can certainly be used to help you improve your advertising campaigns.

So let's get started with the basics.

Google Analytics Basics

If you haven't started tracking your site and AdWords account with GA, it's a good idea to go back to Chapter 3 and review the setup process, including the creation of goals. If you've previously set up GA and linked to your accounts, double-check that everything is tracking as you planned. The number of clicks in AdWords and GA should be close. These numbers may not match exactly, but they should be close.

Before getting into the details of using GA to understand your data, let's define some important terms.

- **Visit**: A unique session initiated by a visitor. A session is the period of time a visitor is interacting with a web site. When a user remains inactive for over 30 minutes, Google ends the session. If the same user returned to your site an hour later, they would be starting a new session and a new visit. The user would be the same *visitor* with multiples *visits*.

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[2] Laura Amico, "One Reporter's Notebook,"
http://lauraamico.tumblr.com/post/5196806316/reporting-from-analytics-example/
[3] Steve Myers, "Homicide Watch D.C. uses clues in site search queries to ID homicide victim," Poyner.org, www.poynter.org/latest-news/mediawire/149294/homicide-watch-d-c-uses-clues-in-site-search-queries-to-id-homicide-victim/, October 12, 2011.

- **Clicks**: The number of times someone clicked on your ad and was taken to your landing page. You will often see variations in the number of AdWords clicks and the number of AdWords visits. There are a few possibilities for why this is happening. First, if a user clicks on your ad more than once during the same session, the number of clicks increases but the number of visits remains the same. Alternatively, some visitors may both click your ad and navigate to your site organically in the same visit. In this case, the number of clicks remains the same but the number of visits increases. Another possibility is that a user clicks on ad, but backs out before the GA tracking script has a chance to load. This causes a click but not a visit.

- **Pageview**: Although this may sound redundant, a pageview is the view of a page on your site being tracked by GA. If a visitor views the same page multiple times in a visit, each view of the page is a new pageview. In contrast, unique pageviews count only the number of unique visits to a page during a single session.

- **Pages/Visit**: Generally, a high number of pages per visit indicates that a user navigated more deeply into your site. However, a caveat in using this metric is that a confusing, poorly designed site can cause users to click more pages to find what they want.

- **Average time on site**: For most purposes, the longer the time on site, the more engaged a user is with your site. However, users that leave the browser open and visit other pages (or leave for a coffee break) can skew this value, which is more common with multiple tabs within browsers.

- **New visit**: This is a visit from a user who has not previously been to your site. In relation to AdWords, we often talk about the percentage of new visits. With AdWords, you want to see to a high percentage of new visits: who wants to pay for clicks by the same person to come back to your site?

- **Bounce rate**: A bounce occurs when a visitor exits your site from the same page they first entered. A high bounce rate indicates the page is not engaging the interest of users.

- **Source**: Also called *referrer*, this is the link or page location from where the visitor was referred. For AdWords traffic, the source is always the Google search engine.

- **Medium**: This is the means by which the visitor was referred to your site. In the case of AdWords, the medium is a click-through from your ad, referred to as CPC in GA. The source/medium combination for AdWords is denoted as google/cpc.

- **Dimension**: Both source and medium are *dimensions*. These are the categories that are used to describe the data. This is in contrast to the next definition, metrics, which are numeric values.

- **Metrics**: A metric is simply a way of measuring something and usually represents a value at a point of time or over a time interval. Metrics often can express trends or performance indicators in your campaign. Performance metrics are often expressed as a ratio or percentage. Conversion rate (a good metric, meaning higher values are better) and bounce rate (a bad metric, meaning higher values are worse) are two examples of ratio metrics and are both expressed as percentages.

Discrepancies Between AdWords and GA Statistics

Because of differences in tracking technologies used by GA and AdWords, some discrepancies may occur in the statistics reported by these two platforms. One example is that AdWords and GA track conversions differently. AdWords places a cookie on the visitor's computer for 30 days. If a visitor comes to your site via an AdWords ad and converts within 30 days, AdWords counts that conversion regardless of the source of the converting visit. GA, on the other hand, uses a tracking regime termed *last click attribution*. In GA, a visitor who originally came to your site via AdWords, but returns via an organic source to convert, counts as an organic conversion. Therefore, if you're using both AdWords conversion tracking and GA goal tracking, your conversion numbers can differ.

Finding AdWords Data in GA

The second step in analyzing AdWords data (after linking your AdWords and GA accounts) is finding it. There are several options for isolating the AdWords data. In this section, we talk about the ways of organizing, viewing, and ultimately analyzing AdWords data within GA.

■ **Note** There are two ways to access your Google Analytics data. The first is by logging directly into Google Analytics at www.google.com/analytics. The second is through the "Tools and Analysis" menu within the AdWords interface. When accessing data through AdWords the top of the screen will continue to display the main AdWords navigation. Ignore this navigation to ensure you continue to view Google Analytics data. We recommend accessing Google Analytics directly when following the information in this chapter.

Date Range

As with the AdWords interface, the first step in finding the right data in GA is setting the proper date range. By default, GA shows data for the last 30 days, not including the current day. The date range is located in the upper right corner and is adjusted by clicking on the pull-down next to the date. Figure 11-1 shows the interface for setting date ranges.
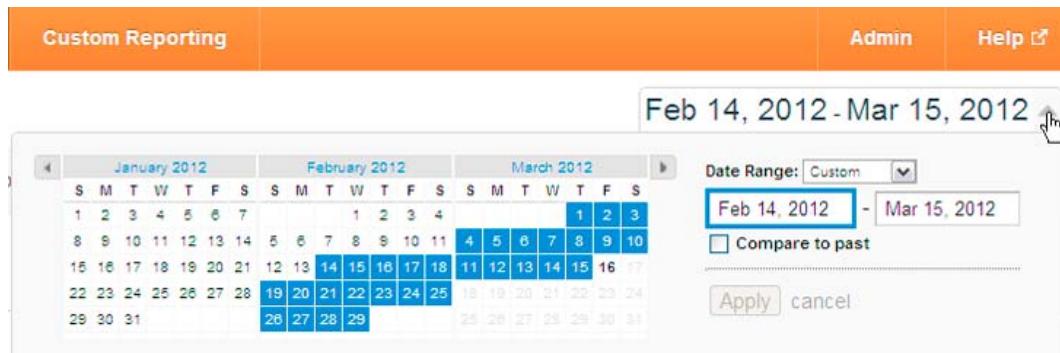
Figure 11-1. Setting the date range

When selecting a date, you can click the date within calendar and that date will be entered into the highlighted box. In addition, you can compare data from two date ranges. When you click the "Compare to past" checkbox, the past date range automatically sets to the same date interval immediately preceding the selected date range. However, you can also alter the past range to compare to any previous period. For example, it's often helpful to compare to the same date range in the previous year to account for seasonality.

Profiles

Every GA account has at least one profile, and each web site within an Account should have its own profile. In a sense, a profile is the container for a site's GA data. You can create multiple profiles (containers) within a GA account and the data in each profile can vary based on how you filter the data into the profile. For example, you could create a profile that filters out any data that is not from the CPC medium, thus creating a Paid Search profile. In some cases, a Paid Search profile could be created to isolate the data for privacy reasons. As an example, you may be managing an account for a large company that only wanted to grant you a view to a subset of data.

Profiles are used to filter data on a permanent basis, whereas segmentation (discussed next) is for more time-limited purposes. Every report in GA defaults to show data for the parameters of the profile. Once filters are applied to a profile, the data collected can only be seen through the context of these filters. It is not possible to go back and recollect the data.

A common use of filters is to filter out internal traffic. This involves setting up filters to exclude traffic from your company IP addresses. A best practice is to create a profile with no filters so you always have a copy of your data that is untouched.

To create a PPC-specific profile, click Admin in the top right corner in your GA account page. This takes you to the Profile tab. Click +New Profile. Give a descriptive name to your new profile and click Create Profile. Click the Filter tab and then +New Filter. Create a custom filter, as shown in Figure 11-2.

Figure 11-2. Creating a custom filter

The profile in Figure 11-2 only contains data from the medium "CPC." If you're running paid campaigns in AdWords only, this profile represents AdWords. If you're running additional paid campaigns (for example, MSN AdCenter), you need to tag the URLs coming from these campaigns with the medium "CPC" in order for traffic from these campaigns to be included in the PPC profile (see Chapter 3).

Your new filter is included in the list of filters for that profile. You should recreate your goals for the new profile or they won't be tracked in this profile. You can also list which users have access and what level of access they have in the new profile.

Segments

A segment allows you to filter the data shown in a report. When segments are created or viewed, the original data in the account isn't altered. Segments isolate traffic, allowing you to better understand the behavior of groups of visitors. With segments, you can see the same data through different lenses. One advantage of default segments in GA is that a Paid Search segment is already provided. No customization required! Apply the Paid Search segment by going to Advanced Segments ➤ Paid Search Traffic and clicking Apply (Figure 11-3).
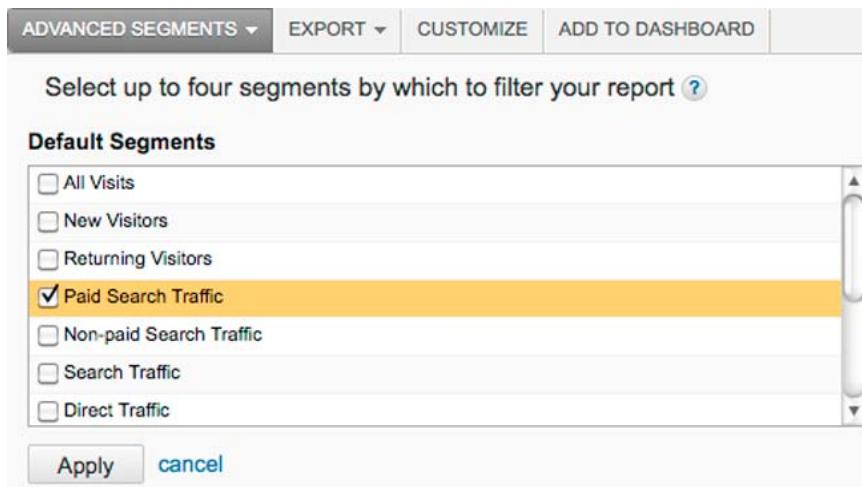
Figure 11-3. Selecting the default Paid Search advanced segments

By selecting the segment for Paid Search Traffic, all the reports will display data that came from the medium "CPC". As with profiles creation, if you're also running campaigns on other networks, such as MSN AdCenter, you need to have your URLs tagged properly for data from these campaigns to be included.

You can view up to four segments simultaneously, allowing you to compare data from multiple segments. For example, you can view data from Non-paid Search, Paid Search, and All Visits at the same time. Figure 11-4 shows an example of a bounce rate comparison from these three different segments. The bounce rate for All Visits represents the site average, so you can see that Paid Search has a bounce rate that is 28% better than the site average.

Figure 11-4. Using segmentation to compare data from various sources

GA pre-populates the following segments:

- All Visits
- New Visitors
- Returning Visitors
- Paid Search Traffic
- Non-paid Search Traffic
- Search Traffic
- Direct Traffic
- Referral Traffic
- Visits with Conversions
- Visits with Transactions
- Mobile Traffic
- Non-bounce Visits

GA also gives you the option of creating custom segments for more complex analysis. You can be creative with custom segments and choose to look at nearly whatever sub-set of data you want to. Custom segments can be based on any dimension, metric, or multiple dimensions and/or metrics. A custom segment can be as simple as a country/territory that you want to explore further or something more complicated such as a segment that isolates keywords made up of four or more words. For the latter example, you would need to use regex (regular expressions[4]) and the formula would look like this[5]:

```
^\s*[^\s]+(\s+[^\s]+){3,}\s*$
```

Not necessarily the stuff for beginners! However, with some basic understanding of regex and a little research, you can learn to create fairly complex segments.

Let's walk through the creation of a custom segment. In this example, you will create a segment for traffic related to your brand. Navigate to Standard Reporting ➤ Advanced Segments ➤ +New Custom Segment. Name the segment "Branded Traffic." Figure 11-5 shows the process for isolating traffic originating from branded keywords. In this case you want to include traffic from direct visits and traffic from keyword searches that included words contained in your brand or products name. By using regex to combine the branded words, you can include several words from your brand name in the same statement. To keep things organized, use separate regex statements for each grouping, one for brand name words and one for product keywords.

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[4] An excellent reference on using Regular Expressions in GA can be found at www.lunametrics.com/regex-book/Regular-Expressions-Google-Analytics.pdf. Or Google "Lunametrics regular expressions."
[5] The Daily SEO Blog, "7 Google Analytics Advanced Segments I Love (and you should too)," http://www.seomoz.org/blog/seven-google-analytics-advance-segments, September 26, 2011.
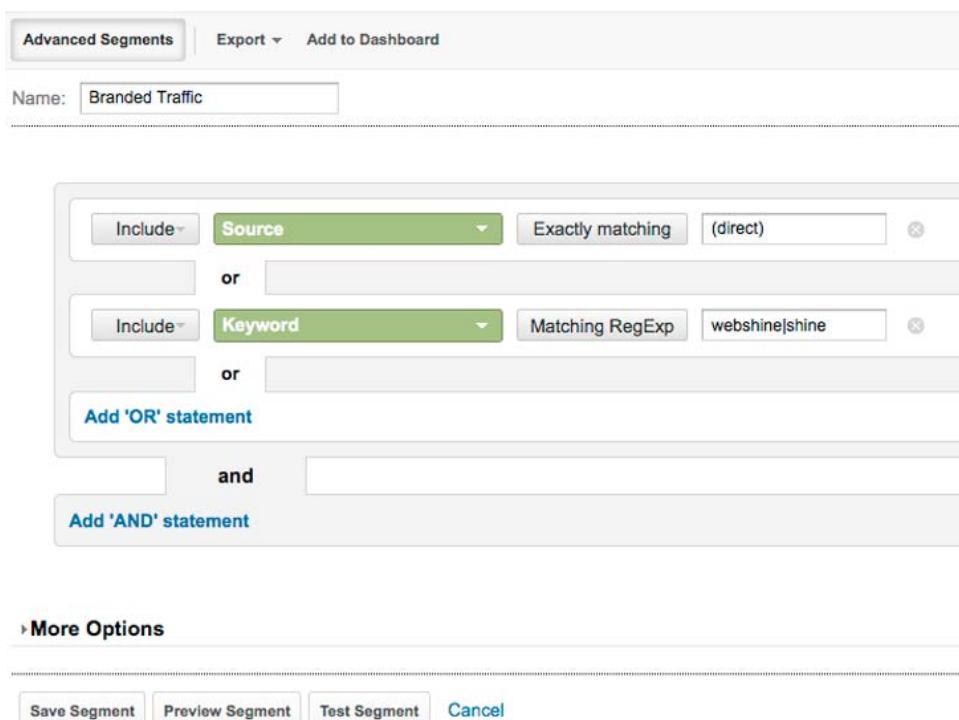
Figure 11-5. Creating a custom segment

You could also create a segment for non-branded traffic that would exclude the same criteria. Once both segments are created, be sure to double-check your work. The total number of visitors from the branded traffic segment and the non-branded segment should equal the number of All Visits. Branded and non-branded traffic are common segments in the search world. Use these segments to better understand whether you are increasing traffic from visitors unfamiliar with your brand and how these various segments are behaving on your site.

You can create as many segments as you find helpful and you can define segments on any group of metrics. For example, you can create a custom segment for visitors that spent over $100 and then look for the characteristics of these visitors. What keywords did they use to find your site? Which ad text brought them in? Other ideas for custom segments include locations, content viewed, conversion type, or engagement (i.e., time on site or pages viewed).

The Dashboard

The dashboard is displayed on GA's home tab and it highlights selected statistics or metrics from your account. Data displayed on the dashboard can be customized to display the information most important to you. The latest version of GA allows you to create multiple dashboards for the same profile. Creating and customizing a dashboard for your AdWords data is pretty much a no-brainer.

To create a custom dashboard for AdWords, select your default profile. The dashboard is displayed under the GA Home tab, located in the main navigation interface across the top of the page. Expand the

Dashboard's menu in the tree navigation on the left and click +New Dashboard. This will bring up a Create dashboard interface, as shown in Figure 11-6.
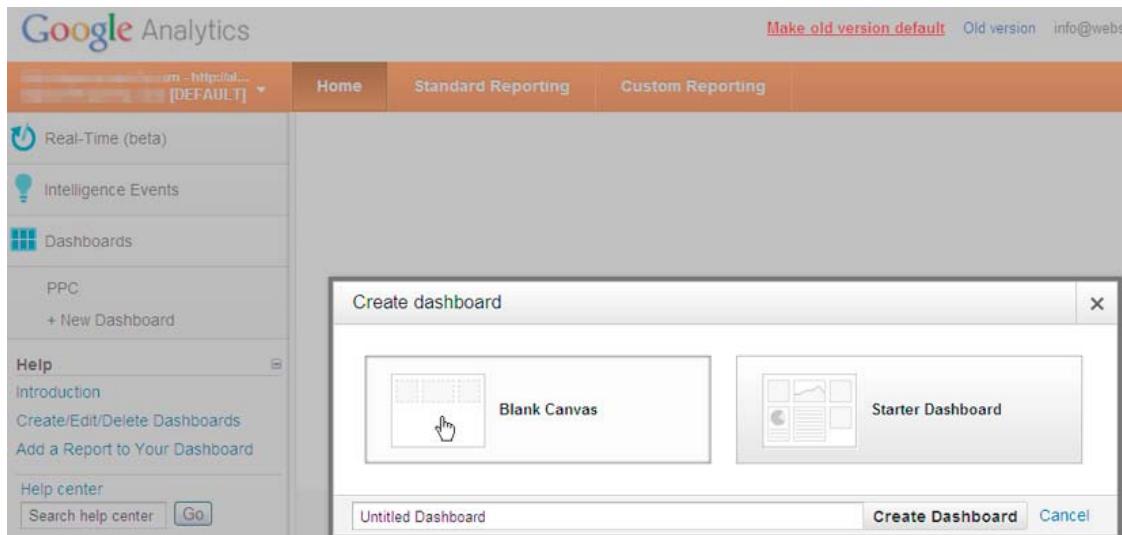
Figure 11-6. The Create dashboard interface

To start creating your new dashboard, you can choose either to start from scratch or to build from the generic starter dashboard. Since you want your charts to display AdWords data specifically, select the Blank Canvas. To add your first chart, select +Add Widget. Figure 11-7 shows the pop-up wizard that walks you through the steps for creating a chart.
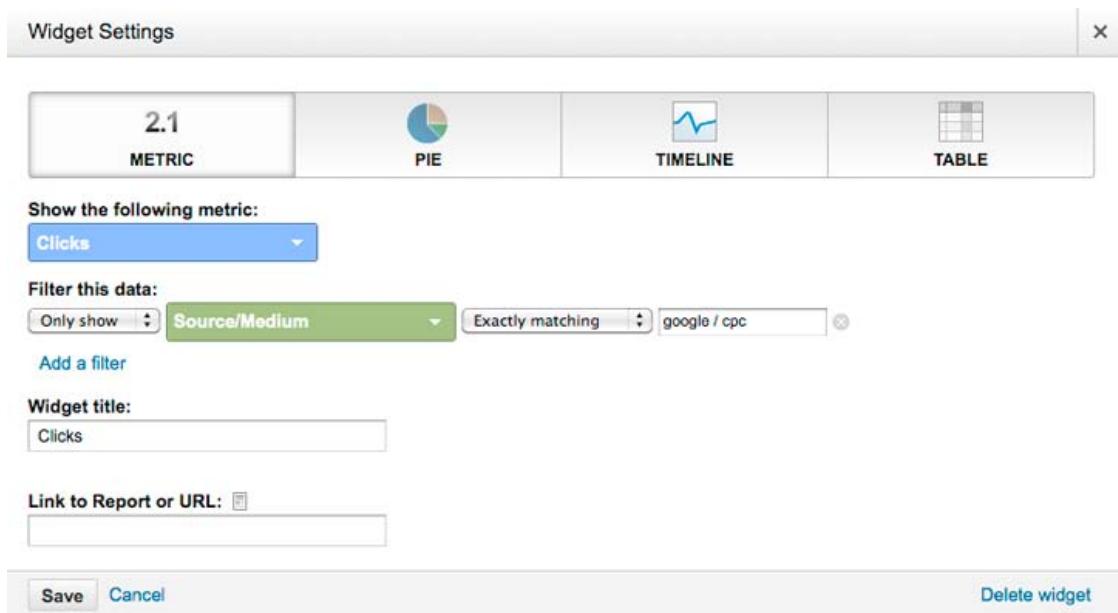
Figure 11-7. Creating a chart with the dashboard

By using the filtering option when creating your widget you can add data to your dashboard that is specific to AdWords. Note that AdWords data comes from the source/medium described as "google/cpc" (center-right in the figure). Use the settings to customize the widget. Because you can create multiple dashboards, it helps to personalize dashboards for members of your team that are specific to their needs or role.

In addition to creating reports within the dashboard, you can add reports to the dashboard from any screen by clicking on the Add to Dashboard button (Figure 11-8). As you learn your way around GA and discover the data you find most useful, pin these reports to your AdWords dashboard to keep them right at your fingertips.
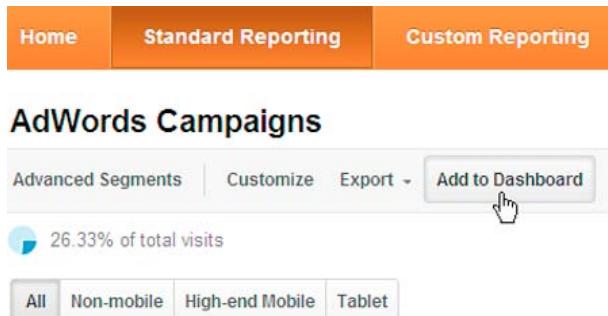
Figure 11-8. Adding reports to the dashboard

Standard Reports

Another way to locate AdWords data in GA is through the standard reports. The default standard reports are organized into five categories.

- **Audience**: Who are your visitors (demographics and technology)? Are they using mobile devices? What's their engagement with your site?

- **Advertising**: AdWords

- **Traffic sources**: What sources are generating traffic and how are these various sources performing?

- **Content**: Where are visitors going on your site? What content are they viewing?

- **Conversions**: Are visitors converting? Are they spending money? How are the various channels to your site working together to generate conversions and revenue?

AdWords data is pre-populated under the Advertising category. Keep in mind that if you're viewing segments that don't include paid traffic, your AdWords report won't contain data. Standard reports in the Advertising category are shown in Figure 11-9.
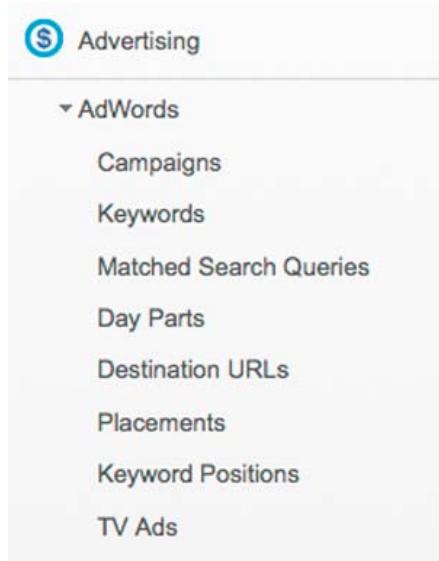
Figure 11-9. *Standard AdWords reports*

Let's take a closer look at these standard reports. The first five reports share the same metrics. These are the reports titled Campaigns, Keywords, Matched Search Queries, Day Parts, and Destination URLs.

Standard Report Definitions

Here are some notes on these eight pre-configured reports:

- **Campaigns Report**: Use this report when looking for data at the campaign and ad group levels.

- **Keywords Report**: This report includes data on both keywords and ad content. When viewing ad content, the ads are listed by headline. If you have more than one ad with the same headline, the ad content report is not as helpful to you.

- **Matched Search Queries**: This report is similar to the Search Query Report in AdWords, but includes site performance metrics. Much like the Search Query Report, this report is helpful when looking for keywords that are showing good performance but not in your account. Use the data in this report to help you find negative keywords and more targeted keywords.

- **Day Parts**: This report shows the performance metrics based on the hour of the day or the day of the week. Use this data to adjust ad scheduling in your campaign settings.

- **Destination URLs**: This report breaks out statistics for your landing pages. Look here when testing and optimizing your landing pages.

- **Placements**: This report helps you analyze your campaign's performance on the Display Network. You can use it to help manage your campaigns and reach your ROI objectives on the Display Network.

- **Keyword Positions**: This tells how many times your ad showed at a particular ad position for each keyword. We take a closer look at this report in the next section.

- **TV Campaigns**: This shows TV impressions, ad plays, cost, and CPM for your TV ads.

Report Data Groupings

Once you have selected a standard report, you can vary the metrics displayed in the summary section and the data in the table in the lower section of the page based on the data grouping you are viewing. The data group is selected under the Explorer tab. The data groupings are as follows:

- **Site Usage – What did visitors do once they got to my site?** These metrics show how visitors from your AdWords campaign behave on your site. Because every click from AdWords costs you money, it's important to understand how your visitors engage with your site and which campaigns, ad groups, keywords, etc. bring the highest levels of engagement. Figure 11-10 shows the data in the summary section of the Site Usage Report. In this example you are looking at metrics for the Destination URL report.
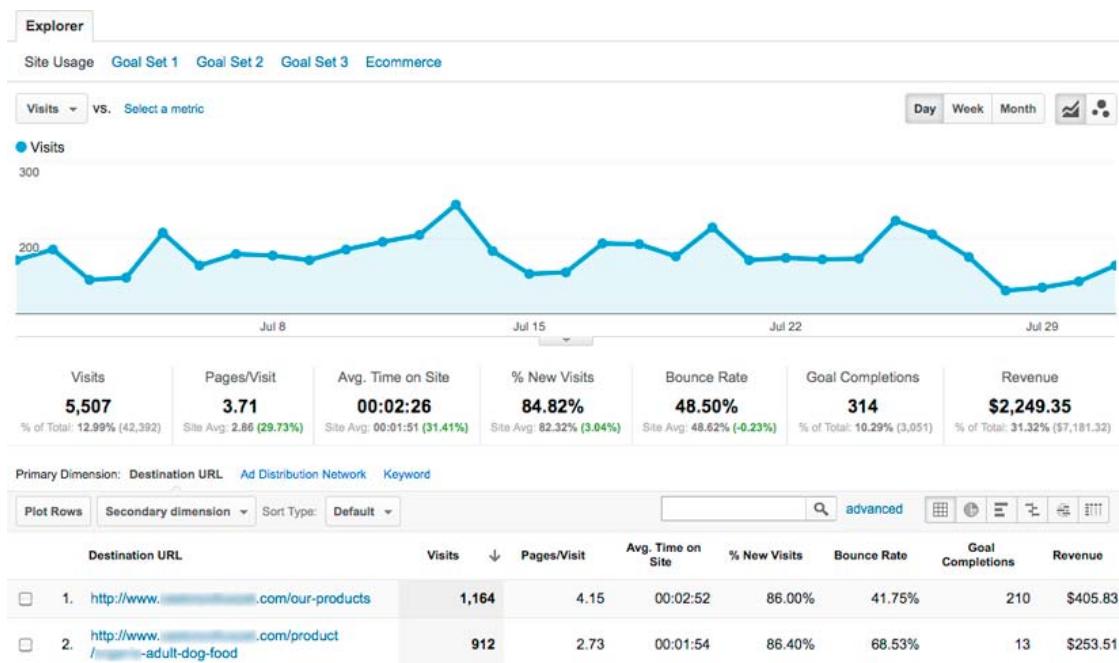
Figure 11-10. Site Usage Report

- **Goal Sets – Where are my conversion coming from?** As you learned in Chapter 3, GA allows up to 20 goals, set up in 4 groups of 5 goals each. The performance of each goal set in relation to your AdWords traffic can be viewed by selecting a goal set. Use these reports to see the conversion rate and per-visit value for each goal in relation to your campaigns, ad groups, keywords, or destination URLs. Figure 11-11 shows one example of a Goal Set Report.

Figure 11-11. Goal Set Report

- **Ecommerce – Where are my sales coming from?** Similar to the Goal Set Reports, the Ecommerce Reports show what aspects of your AdWords campaign generated e-commerce transactions. Figure 11-12 shows a typical Ecommerce Report.

Figure 11-12. Ecommerce Report

- **Clicks- How is my AdWords campaign performing?** The Clicks Report provides statistics from your AdWords account. Figure 11-13 shows the data displayed when "Clicks" is selected on the Explorer tab menu.

Figure 11-13. *Clicks Report*

This view contains some useful information pertaining to the return from your AdWords account. You will recognize some of the metrics from AdWords; however, a few are new and worth your attention.

RPC stands for revenue-per-click. This metric is a great way to determine what you can spend per click. Of course, you need to take into account your cost-per–sale, but you can use RPC to set bids. If a keyword has an average CPC of $1.50 and the RPC is $1.00, you're losing money on that keyword.

The next is ROI, which once again is

$$ROI = (Revenue - cost)/Cost$$

The ROI demonstrates your break-even point. Again, the value listed in this column doesn't take into account your cost per sale.

Margin is usually expressed as a percentage and shows how much you have earned based on the revenue generated and your AdWords click costs.

$$Margin = (Goal\ Value + Ecommerce\ Value - Cost)/Revenue$$

Use this data to identify which areas of your account are generating returns and which aren't. The latter, of course, needs to be reconfigured or culled.

Adjusting the View of Metrics

All the standard reports that you just explored display metrics in both a graph in the middle of the page and the table view at the bottom of the page. There are several options for adjusting the views to extract more actionable data.

First, it's easy to change the metrics shown in the graph as well as adding a second metric, which allows you to compare two metrics side by side. By default the graph displays data for visits. To change the metric in the graph click on the pull-down next to Visits and select the metric you would like to view

(Figure 11-14). To select a secondary metric click on Select a metric to activate another pull-down. The graph will adjust its vertical scale to compare the two metrics.
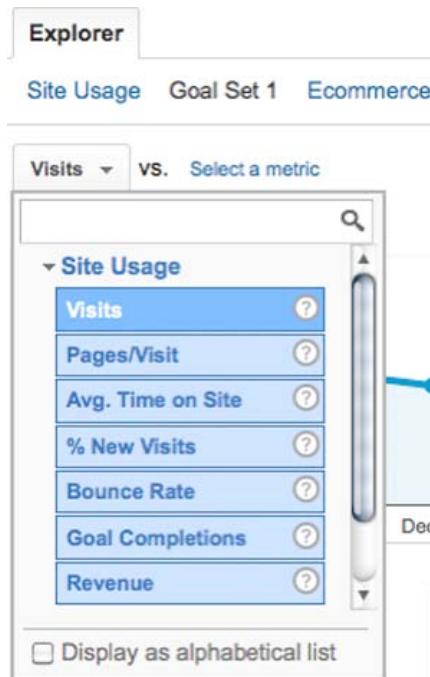
Figure 11-14. Viewing metrics in the graph.

Figure 11-15 uses the Day Parts report to compare per-visit value to visits by hour of the day (The left vertical axis is visits [dark line] and the right vertical axis is per-visit value [light line]. The horizontal axis is time of day.) Viewing this chart in GA, you can cursor over any time point to see an annotation pop up with the visits and per-visit value for that time. Looking at this graph, it's clear that the best per-visit values occurred at 8 a.m. and between 9 p.m. and 11 p.m. So it looks like this campaign should be targeting more visits at the end of the day.

Figure 11-15. Comparing two metrics: visits vs. per-visit value by time of day

Next, let's look at the options for viewing data within the table. Figure 11-16 shows the available view options.

Figure 11-16. Table view options

Moving from left to right, the following list describes each chart type:

- **Data**: By default the metrics are displayed as a data table, which is basically a spreadsheet view.

- **Percentage and Performance**: Both the percentage and the performance options give good visual representation of the metrics and how they relate to each other. The percentage view represents the data through the use of pie graphs and the performance view uses bar graphs. For example, you can use the percentage option to quickly see what campaign or ad group is contributing most to conversions, revenue, etc.

- **Comparison**: The comparison view compares metric values to the site average or during two time periods. This is a great way to see how your campaigns, ad groups, keywords, etc. stack up to the rest of your site or how this month's results compare to those of the previous month. The comparison view is also helpful to see how PPC compares to other sources of traffic (Traffic Sources ➤ Sources ➤ All Traffic). If the "Compare to past" feature is enabled in the date range, the comparison will be between the two selected date ranges.

- **Term cloud**: The term cloud view is not overly helpful, other than to quickly and visually highlight the best performing metric or dimension. For example, this graph can quickly show you which keyword saw the most transactions?

- **Pivot**: The last view option is a pivot table. Because the use of PivotTables within Google Analytic is an important topic, we discuss the Pivot view in greater detail later in this chapter.

Another way to expand the data available to you is through the use of secondary dimensions. Secondary dimensions are selected through the pull-down menu located above the first column of the data table. The options vary depending on the report you are viewing. Use secondary dimensions to analyze your data at different levels. For example, you can examine how various landing pages are performing within your ad groups by looking at the ad group report and selecting Destination URL as a secondary dimension. Look at bounce rates and conversions to see which landing pages are performing best within your ad groups, as shown in Figure 11-17.
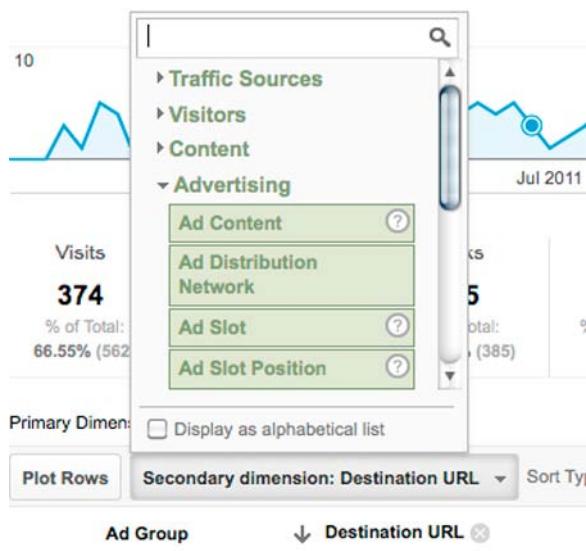
Figure 11-17. Using secondary dimensions to compare landing pages

Motion Charts

Data visualization tools have changed significantly in the last six years, and Hans Rosling played a big part in this change. Dr. Rosling is a Swedish public health researcher who has given a number of talks at the TED Conference on using animated data visualization to understand global health trends [6]. After Rosling gave his presentation at the 2006 TED conference, Google management was apparently impressed enough with the Trendalyzer software developed by Rosling's Gapminder Foundation that it purchased the software. You can see it in use on Google's Public Data Explorer web site[7].

Google has applied the same form of animated data visualization to what are called Motion Charts in Google Analytics. These provide a powerful way of visualizing your data across five dimensions, including time. Since Motion Charts are capable of displaying data as it changes over a period of time—meaning they rely on animation—it's impossible to show the animation aspect in a hard copy book format. But you can quickly get a feel for how they work by watching Google's short YouTube video on how Motion Charts work at `www.youtube.com/watch?v=UKsBTqqhVTs&feature=relmfu`. You can also find this video by searching on "Google Motion Charts" in the YouTube search prompt.

The rest of this section covers how to create a Motion Chart and work with the interface in GA. For this example, in the GA interface, you start by navigating to Standard Reporting ➤ Advertising ➤ AdWords ➤ Campaigns and selecting your highest traffic campaign. Beneath the Site Usage data displayed immediately below the Explorer tab, click the Motion Chart icon, as shown in Figure 11-18 at the far center-right.

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[6] See the TED video of Rosling's presentation at
`www.ted.com/talks/hans_rosling_shows_the_best_stats_you_ve_ever_seen.html`
or Google "Rosling TED 2006).
[7] `www.google.com/publicdata/directory`

Figure 11-18. Setting up a Motion Chart for a standard report in GA

This should bring up the Motion Chart for this particular report, as shown in Figure 11-19.
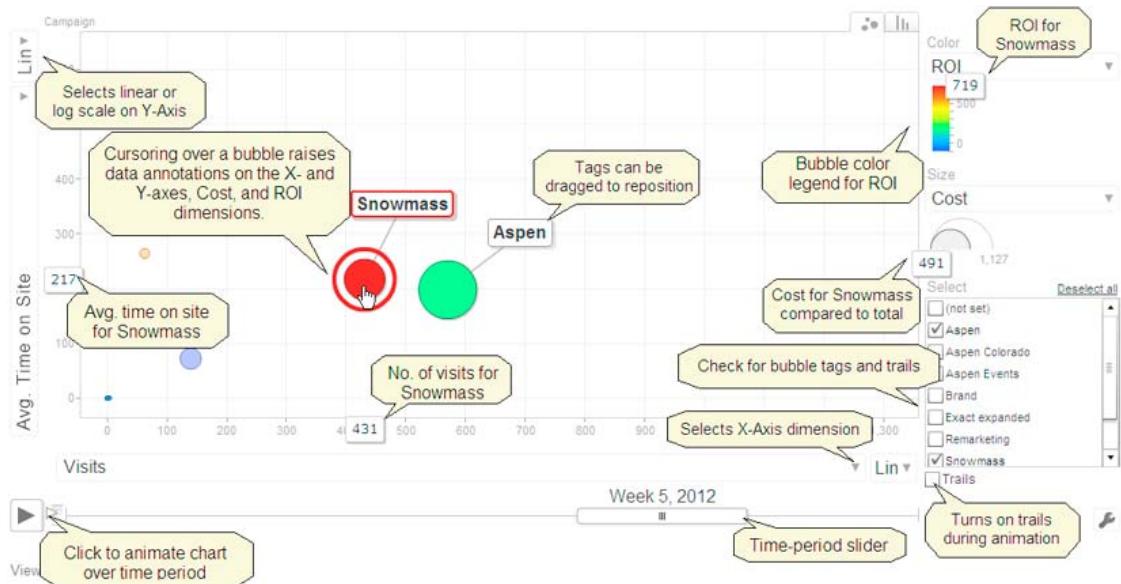
Figure 11-19. A Motion Chart example

As you may have noticed from the forest of callouts added to this figure, Google's motion charts are quite feature-laden: they pack a tremendous amount of information into a small space. We think the best way to get up to speed with this report format is to watch the YouTube video, then pick a standard

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report, set up the Motion Chart for that report, and spend an hour or so exercising all of its features. See if you can exercise all of the features noted in Figure 11-19. Once you familiarize yourself with this incredible report format, you may be surprised at how much you can learn about your campaigns.

The Keyword Position Report

The Keyword Position Report is one of the standard reports and provides AdWords metrics based on the position of your ads on the Search Engine Results Page. You can see metrics from the Site Usage, Goal Sets, or Ecommerce data groupings as they relate to the position of your ads. When viewing data in relation to ad position, we have found that Visits, Percent New Visits, Conversion Rate, and Per-Visit Value are helpful metrics. The Keyword Position Report differs from similar data in the AdWords interface, which provides data on average position but doesn't give insight into how on-site performance varies from one position to another.

Figure 11-20 shows an example of the Keyword Position Report broken down by per-visit value. Per-visit value is calculated by dividing the total value generated by the number of clicks while an ad is in a given position. This view is particularly useful, since higher positions can often get more clicks but fewer conversions. In this example, the most valuable position is the Side 5.
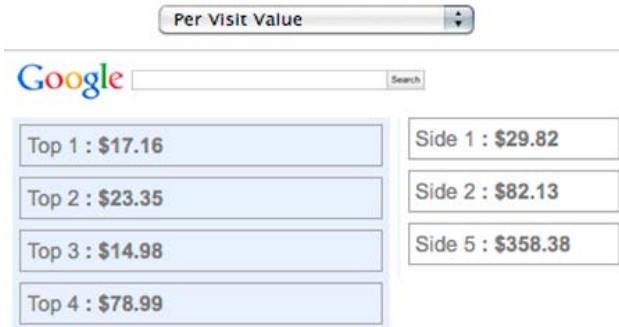
Figure 11-20. Keyword Position Report by per-visit value

Use this report in conjunction with the top of page estimated in AdWords to bid for the highest performing positions.

Custom Reports

Once you're comfortable with the standard reports, it's time to expand your horizons and create your own custom reports. Custom reports work pretty much as you would think; you set the metrics and dimensions that you want to see. You can also include filters so that only AdWords data is included in the report. Custom reports allow you to have the data you want right at your fingertips and customized for your needs. Once you've configured a report, you can save it and access it whenever you want to from the Custom Report tab.

Creating custom reports requires a solid understanding of dimensions and metrics. Remember that dimensions are visitor attributes such as medium or source and metrics are the values in the report. Another way to look at it is that dimensions are text and metrics are numbers. Dimensions are the rows and metrics are the columns.

You can select either of two formats: explorer or flat. Explorer reports include expandable, clickable rows. Flat tables are pretty much what the name implies: a single table with all the data and no drill-down capabilities. Flat reports can have up to five dimensions and 25 metrics.

The process is similar for both a flat and explorer table, so in this example you will build an explorer table that highlights the quality of your landing pages. To start, click the Custom Report tab and click +New Custom Report. Give a descriptive name to your report and choose "Explorer." Choose the metrics and dimensions, as shown in Figure 11-21.

Figure 11-21. Selecting dimensions and metrics for a custom report

To create a report based only on AdWords data, use the filtering functionality, as shown in Figure 11-22.

Figure 11-22. Adding filters to custom report

Click Save, and the report you just created will display (Figure 11-23). You can create multiple views of data by adding tabs within the report. Click on "+add report tab" to create another data set within the same report.

	Destination URL	Order Placed (Goal1 Completions) ↓	Order Placed (Goal1 Conversion Rate)	Revenue	Bounce Rate	Avg. Time on Site
1.	http://www	21	0.65%	$1,231.97	42.09%	00:02:44
2.	http://www	15	1.64%	$1,056.54	25.79%	00:04:03
3.	http://www	13	1.09%	$1,237.95	25.77%	00:02:52
4.	http://www	12	0.57%	$903.24	67.75%	00:01:54
5.	http://www	8	1.49%	$547.76	33.96%	00:03:36

Figure 11-23. Custom report

Custom reports are incredibly useful, so get creative! Configure and save the reports that show metrics that can help you make decisions quickly and efficiently on your AdWords account. Some ideas for reports are revenue by keyword, revenue by product, traffic quality by time of day or day of week (time on site, pages/visit, bounce rate), and revenue by city (revenue, revenue per visit, average value). We also like to create summary reports that show AdWords metrics next to on-site metrics and conversion data. These summary reports serve as a quick snapshot into a campaign or ad group's performance in relation to revenue and on-site engagement.

PivotTable Reports in Google Analytics

In Chapter 10, we introduced the concept of PivotTables and how they can be generated in Excel. If you're unfamiliar with PivotTables, you should review the material in Chapter 10 before getting up to speed with generating PivotTables in GA. Google introduced the ability to generate pivot reports in 2009, and most detailed reports now support PivotTables. Figure 11-24 shows the first ten rows of the Paid Search Traffic Report for a vacation rental properties web site. You can navigate to this report in GA by going to Standard Reporting tab ➤ Traffic Sources ➤ Search ➤ Paid. Figure 11-24 shows the View drop-down, which includes a Pivot option at the bottom.

Figure 11-24. Paid Search Report

Let's generate a PivotTable report showing visits by visitor type (new vs. returning) by region. To do this, click the Secondary dimension drop-down (upper left in the figure), and then select Traffic Sources/Visitor Type (Figure 11-25).

Figure 11-25. Selecting Visitor Type for the secondary dimension

Next, to select Region as the pivot element, click Pivot by ➤ Visitors ➤ Region (Figure 11-26). This designates the region dimension (states, in the context of the US) as the primary heading across the top of the report.

Figure 11-26. Selecting Pivot by ➤ Visitors ➤ Region

Finally, if the Pivot metrics dimension isn't already set to Visits, click Pivot metrics ➤ Site Usage ➤ Visits (Figure 11-27).

Figure 11-27. Selecting Pivot metrics ➤ Site Usage ➤ Visits

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This should result in a pivot report of visits (or page views) by keyword and visitor type, with states as the column headings (Figure 11-28). Note that the table has 1218 rows and 64 columns (shown at the upper right in the figure), so pivot reports can be large, depending on the type of data report and the pivot report setup.

Figure 11-28. *PivotTable showing visits by keyword and visitor types, with region as the pivot dimension*

Note that there is a second pivot metrics drop-down, which isn't used in this report. To show what would happen if you selected a second pivot metric dimension, select "Pages/visit" for the second dimension. This generates the table shown in Figure 11-29. There are now two secondary column headings for each state: Visits and Pages/Visit.

	Keyword	Visitor Type	Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate
□ 1.		Returning Visitor	1,329	12.70	00:09:26	0.00%	27.16%
□ 2.	(content targeting)	New Visitor	795	5.80	00:03:47	100.00%	54.72%
□ 3.		New Visitor	626	9.71	00:06:02	100.00%	32.59%
□ 4.		New Visitor	547	12.50	00:07:53	100.00%	28.15%
□ 5.	vacation rentals	New Visitor	501	12.56	00:08:19	100.00%	25.75%
□ 6.	house rentals	New Visitor	455	16.71	00:11:55	100.00%	13.41%
□ 7.	beach house rentals in	New Visitor	443	16.19	00:11:44	100.00%	15.12%
□ 8.	vacation rentals	New Visitor	409	13.05	00:08:07	100.00%	23.47%
□ 9.		New Visitor	407	14.50	00:11:19	100.00%	14.99%
□ 10.	vacation rentals	Returning Visitor	405	14.05	00:10:30	0.00%	25.68%

Figure 11-29. Previous PivotTable with pages per visit added as a second pivot dimension

An alternative way of generating PivotTables is to export your data as an Excel CSV file and then import it to Excel. Since GA is web-based, it has limited functionality in terms of filtering, formatting, and other features that are provided with Excel's PivotTable functionality.

One final word on navigation within these reports: if you need to look at the last columns (or right side) or at the final rows (or bottom) or the report, you can click the left arrow in the Columns control in the upper left corner of the report. This will wrap around the displayed columns to the high-numbered columns. The Rows control works in the same way. Also, you can enter a number to go to in the Column and Row controls in the lower right of the table interface (visible in Figure 11-28 at the lower right).

Flow Visualization Reports

In October 2011 Google introduced its flow visualization report format in GA. Google did this partly in response to the feedback it was getting from GA users concerning the difficulty of using the traditional path analysis tools available in GA. The Analytics team decided to use an approach based on a flow visualization tool called a Sankey diagram, named after the Irish civil engineer who adapted and enhanced the diagram in the late 1800s. This type of diagram is very efficient at presenting a great deal of data visually, especially when used with current interactive web technologies. Currently, there are two flow visualization reports available in GA: the Visitors Flow Report and the Goal Flow Report. The Google Analytics team has said they plan to make other flow visualization reports in the future.

The Visitors Flow Report

This report shows the visitor traffic flow through your web site for a specified date range. An example of the report is shown inFigure 11-30, with callout bubbles indicating most of the features and settings in the report. If you have Google Analytics up and running for your web site, bring this report up in GA so that you can experiment with it by changing the various settings. The report can be invoked in GA by going to Standard Reporting ➤ Audience ➤ Visitors Flow.
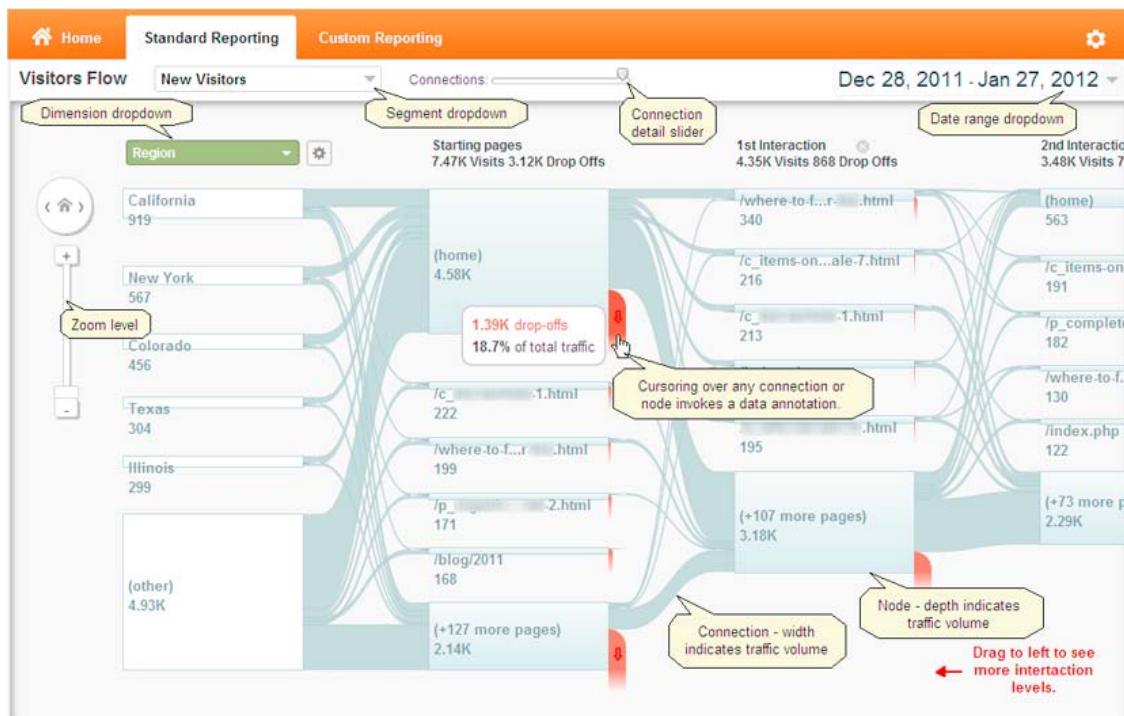
Figure 11-30. Visitors Flow Report with maximum connection detail setting

In this report, the cursor is hovering over the "drop-offs" band of the home starting page to bring up the data annotation for that element. The diagram shows a series of nodes (columns with boxes linked by connections or flows). The first set or column of nodes in this figure shows the regions (states, in this case) where the visitors are located (determined by IP address). The depth of the node boxes indicates the visitor traffic volume, also indicated in the node title. Nodes are connected by flows, and the width of the flow connections indicates the traffic volume between nodes. All traffic volumes are for the date range shown at the upper right. The second column represents the starting page of the visit and the third column ("1st interaction") is the next page the visitor goes to, with subsequent columns to the right showing later interactions in the page-chain for the visits.

This report is highly interactive and shows a wealth of detail simply by cursoring over points of interest. A useful setting widget for the report is the Connections detail slider shown at the upper center of the report, immediately under the tab ribbon. Figure 11-30 has this Connections detail level set to show the maximum connection detail. For comparison, Figure 11-31 shows the same Visitors Flow report setup, but with the Connections detail level at the minimum setting. This figure also shows another example of a data annotation for one of the nodes in the report: in this case, the home starting page. Note that the annotation includes a small pie chart that shows the allocation of outgoing traffic between through traffic to other pages on the site and drop-offs (people exiting the site entirely).
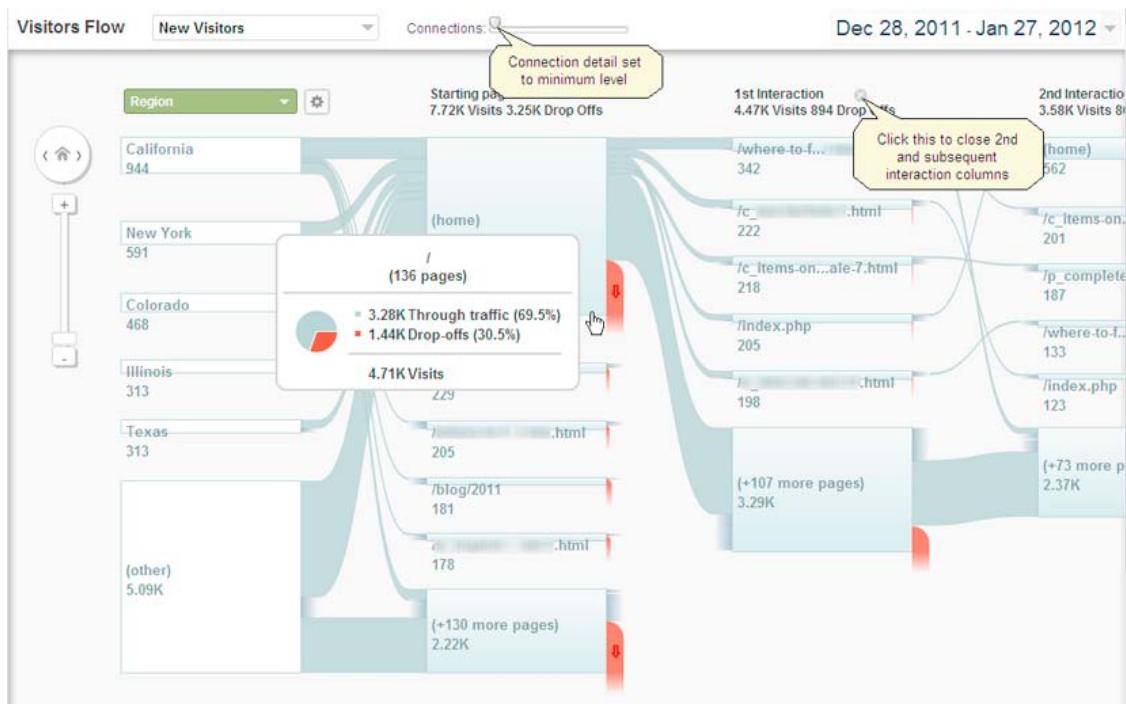
Figure 11-31. Visitors Flow Report with minimum connection detail setting

The Goals Flow Report

The Goals Flow Report shows the traffic flow through your web site to completing one of your specified campaign goals (e.g., a Purchase goal). The report can be invoked in GA by going to Standard Reporting ➤ Conversions ➤ Goals ➤ Goal Flow.

Figure 11-32 shows a portion (left side) of a Goal Flow Report for a Purchase goal and for new visitor traffic. The Connections detail slider has been set at the higher side of the bar in this example to show two return flows from the Review page: one to the Details page and one to the Payment page. In this figure, the cursor is over the return flow for "Review to Details," showing 38 pageviews on the Review page returned to Details. Note that the traffic source is now set to Source/Medium, which is equivalent to channels (discussed in the "Multi-Funnel Channels" section later on in this chapter).
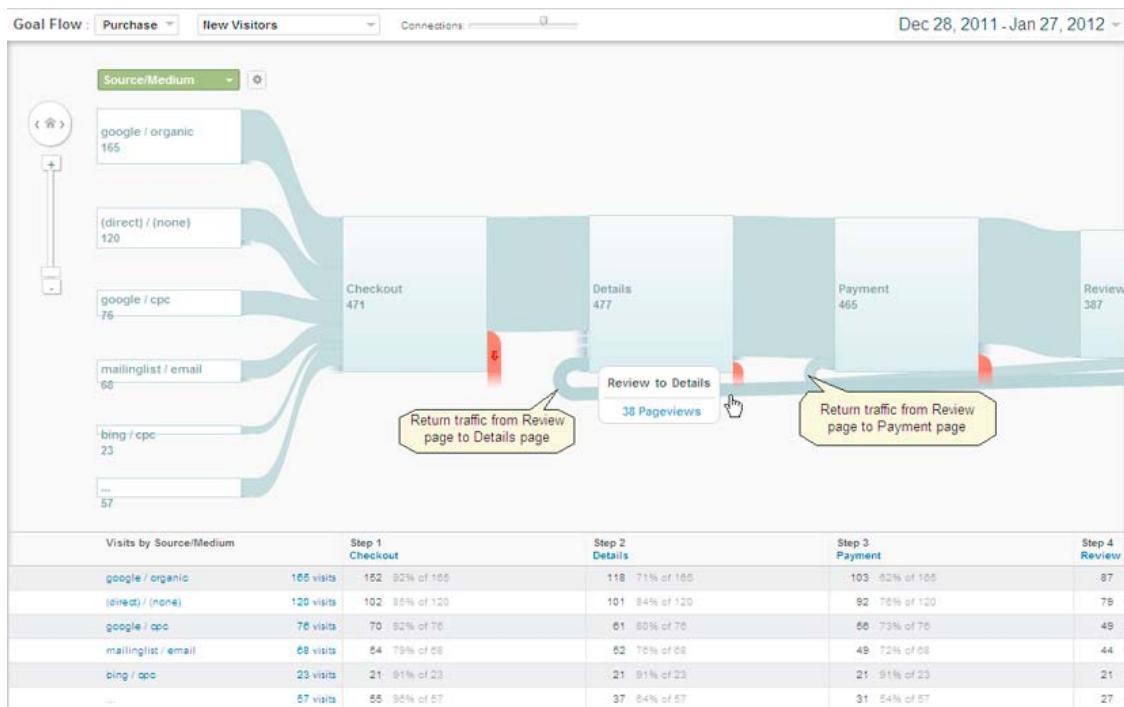
Figure 11-32. Goal Flow Report for the Purchase goal (left side)

Unlike the Visitors Flow Report, this report includes a table (shown at the bottom of the figure), which breaks out the goal flow page visit numbers for each source/medium channel. This shows, for example, that the highest number of page visits (165) to the Checkout page is through the Google/organic channel. If you follow the numbers through the checkout-to-purchase funnel for Google/organic, you can see that 77 purchase transactions were completed on the Purchase page, or 46% of the arriving visits to the Checkout page (Figure 11-33). Note that in this figure the cursor is over the return flow from the Review page to the Payment page, showing 32 pageviews.
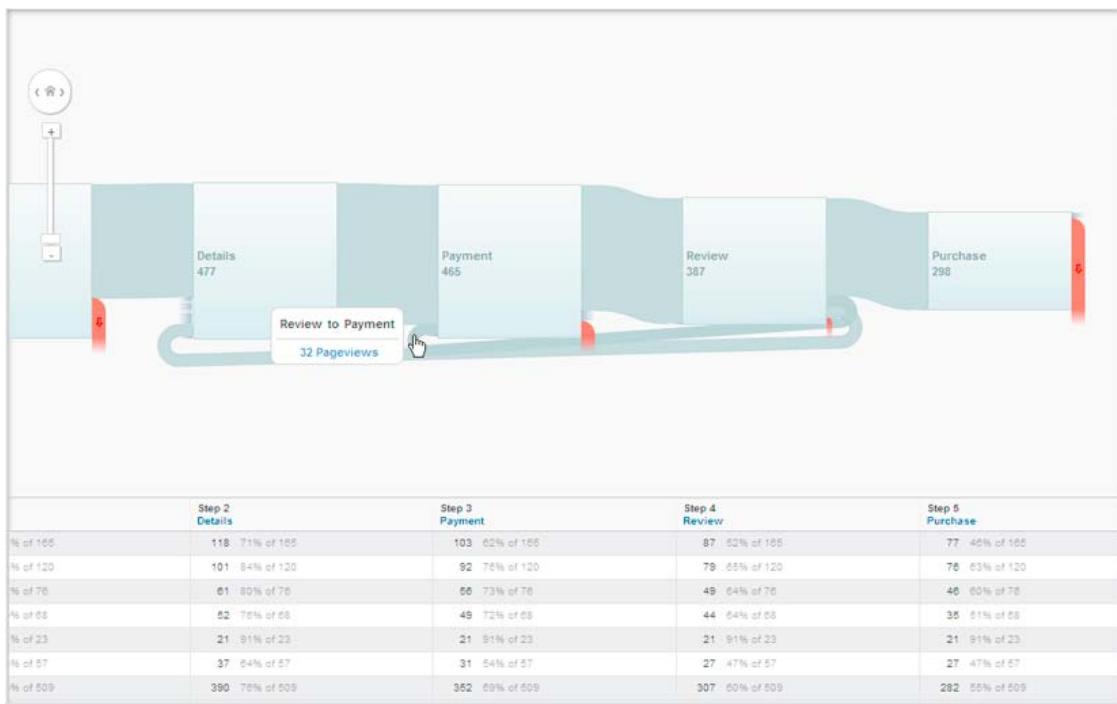
Figure 11-33. Goal Flow Report for the Purchase goal (right side)

Multi-Channel Funnels

Aaaaah…PPC-dom took a big sigh of relief in 2011 when Google announced Multi-Channel Funnels. (Yes, our inner geek is beginning to emerge now!) Before this announcement, Google Analytics only worked via what is called *last click attribution.* This meant that, without the proper set-up of sales funnels, you were unable to ascribe other "touches" along the sales process to AdWords; the source of the last click got credit for the conversion. For example: a user searches for "hotels near Disneyworld," sees your ad, clicks it, and goes to your site. The user likes what he sees but doesn't book the room immediately. A few days later, he returns to your site by searching on the name of your hotel and clicking on the organic listing. This time he books. With last click attribution, Google gives the credit to the source at the time of the booking, which is an organic search result. Your hard work in setting up your PPC ad goes unrewarded, even though your paid ad is what attracted the visitor to your site in the first place.

Multi-Channel Funnels is the solution for this problem; it provides insight into how your various marketing channels are working together to generate conversions. Multi-Channel Funnels also provide insight into the length of your online sales cycle, which is helpful when setting cookie durations for your remarketing campaigns.

The exception to last click attribution in GA is traffic from the source "direct." Traffic is considered "direct" when the visitor comes to your site via a bookmark, by entering the web address in the browser or from an untagged link. However, if a user first visits your site from another tagged source such as AdWords, GA doesn't reset the visitor's cookie when they return as "direct." This tracking behavior will

cause discrepancies between the AdWords reports within GA and the Multi-Channel Funnel reports. For example, say a visitor clicks on your ad and comes to your web site, looks around, bookmarks your site, but doesn't convert. They return later via the bookmark and make a purchase. In the AdWords reports within GA, this conversion would be credited to the "google/cpc" channel. However, the Multi-Channel Funnel reports would credit this conversion to "direct."

To see Multi-Channel Funnel data in GA, you must have goals enabled or be tracking e-commerce. Access the Multi-Channel Funnels Reports by expanding the Conversion section of the menu and then expanding the Multi-Channel Funnels section (Figure 11-34).
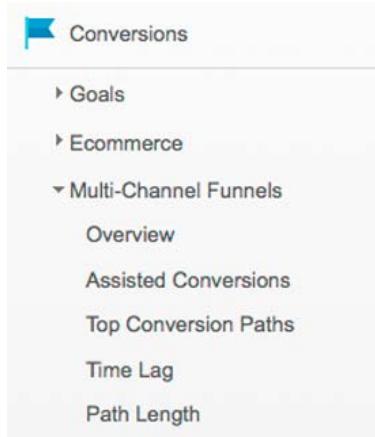
Figure 11-34. Navigating to Multi-Channel Funnels in Google Analytics

Before digging into the reports, let's take a closer look at what constitutes a channel.

Channel Groupings

What's a channel? In the context of Multi-Channel Funnels, a channel is what we have been referring to as the *medium* or *source* of the traffic in GA. How is a visitor getting to your site? The Multi-Channel Reports come with basic channel groupings, as shown in Figure 10-36.

Figure 11-35. Basic channel groupings within Multi-Channel Funnels

These groupings are labeled and defined by the following criteria:

- **Paid Advertising:** Traffic coming from paid searches on Google or advertisers. Medium = CPC, PPC, CPM, CPV, CPA, or CPP.

- **Organic Search:** Unpaid search traffic. Medium = organic.

- **Social Network:** Traffic coming from the various social networking sites and not tagged as paid.

- **Referral :** Traffic coming from links clicked on other web sites that do not fall into the category of a social site.

- **Email:** Traffic coming from your e-mail newsletter. Medium = e-mail.

- **Feeds:** Traffic coming from your feeds. Medium = feed.

- **Direct:** Visitors that arrived at your site by typing your URL into their browser or clicking on a bookmark. Medium = (not set) or (none) OR Source = (direct).

Channels work together as a series of interactions with your site to create a conversion path. Figure 11-36 shows a sample conversion path using GA's basic channel groupings.

Figure 11-36. Sample conversion path

Let's use the sample in Figure 11-36 to explain some of the terminology used in the Multi-Channel Funnels.

- **First interaction**: In this example, the first interaction is Paid Advertising. This is the first channel on the conversion path; it is considered a type of assist interaction.

- **Assist interaction**: In Figure 11-36, Paid Advertising, Organic Search, and Direct are assisted interactions. This is any channel that is on the conversion path but is not the last interaction.

- **Last interaction**: In Figure 11-36, this is Direct. The last interaction is the channel that immediately precedes the conversion.

- **Path length**: The path length is the number of interactions leading to a conversion. In this case the path length is 5.

- **Time lag**: This is the number of days that it takes a visitor to move through the conversion path. This is not part of this example; however MCF reports on time lags from 0 to 12+ days. GA tracks visitors for 30 days.

Multi-Channel Funnel Report Settings

Now let's look at a few settings that affect what you will see in the reports. As you learned earlier, segmenting within GA allows you to filter the data you see in a report. Multi-Channel Funnels offer their own set of segmenting options. Figure 11-37 shows the options for conversion segments on MCF.

Figure 11-37. Default conversion segments

Use these segments to dig deeper into your conversions. In addition to the default segments shown in Figure 11-37, you can create user-defined segments. For example, say you have a campaign within AdWords named "Branded" that contains keywords associated with your brand. You could better understand the conversion paths when the last interaction is from the Branded campaign by creating a custom segment where "Last interaction is Branded." What other ad groups and keywords are important in the conversion path when the last interaction is from a branded keyword?

You can select the conversion that you would like to look at, as shown in Figure 11-38. Note that this panel shows the counts for each type of conversion on the right.

Figure 11-38. Conversion counts by type

One of the great features of these reports is that you have the option of selecting the conversion type. In the context of Multi-Channel Funnels, "type" is either conversions coming from all traffic sources or strictly those influenced by AdWords. Very convenient when you are analyzing your AdWords account! (This almost makes one think Google created these report to highlight the value of your AdWords account.)

Let's look closer at the reports available in Multi-Channel Funnels.

The Overview Report

The Overview Report appears when you first enter the multi-channel section of Google Analytics, and it provides a summary of your conversions and assisted conversions. It includes a Multi-Channel Conversion Visualizer that shows the conversion paths that included multiple channel combinations. Figure 11-39 shows an example of the visualizer, with four channels selected for inclusion in the visualizer's Venn diagram on the right.
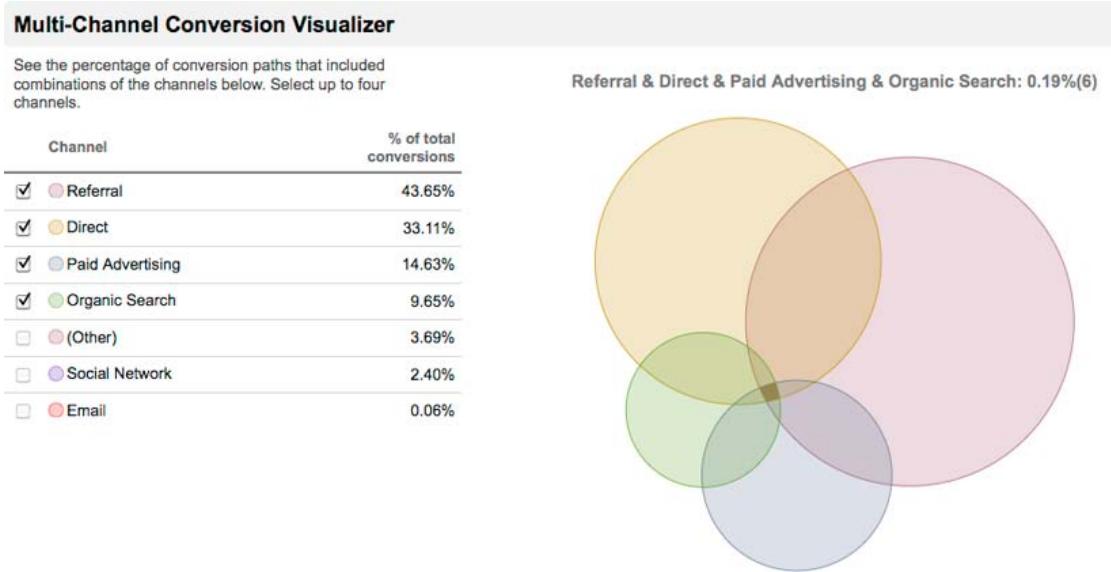
Figure 11-39. *Visual representation of what channels work together to generate conversions*

In this case, Paid Advertising was part of almost 15% of all conversions. Use this report to better understand which channels are working together to generate conversions.

The Assisted Conversions Report

The Assisted Conversions Report shows the number of conversions by channel. You can see how many conversions and the value of sales a channel initiated, assisted, and ultimately completed. Within the assisted conversions report there are two options: Assist Interaction Analysis and First Interaction Analysis. When AdWords is selected as your type, the Assisted Interaction Analysis option shows the number of conversions where AdWords assisted but where it was not the final conversion source (Figure 11-40).

Figure 11-40. *The Assisted Conversions Report*

In this example, without this report it would appear the AdWords was responsible for 353 conversions. However, AdWords also additionally assisted with another 139 conversions!

Again, with AdWords selected as your type, the First Interaction Report shows when AdWords initiated the conversion. If a conversion was started and completed entirely through AdWords, there could be some overlap between the First Interaction numbers and the Last Interaction Conversions.

Assisted/Last Interaction Conversions is a ratio that is helpful for understanding a channel's role in conversions. If the value is close to 0, that channel was more often the last interaction than an assist. A value of 1 indicates that the channel equally was the last interaction and an assisted interaction. A value over 1 implies that the channel was more often an assist than a last interaction.

The Top Conversion Paths Report

This report shows what conversion paths led to conversions as well as the value of these conversions. Be sure to select AdWords as your conversion type to see the paths that included AdWords. You can drill deeper to see the data at the ad group, keyword, or matched search query report. Did the searcher's query change as she repeated the search? What keywords are starting the process and what keywords are further down the conversion path? Figure 11-41 shows an example of conversion paths that involved Paid Search.

Figure 11-41. A Conversion Paths Report

As you can see the example in Figure 11-41, Paid Search was the first interaction but not the last interaction in two of three of these conversions. Look to the Top Conversions Path Report to understand how campaigns, ad groups, or keywords are working together within the conversion process. When looking at typical AdWords data, it may appear that your more general keywords are not converting and thus not performing well, when in reality they are important early in the conversion path.

The Time Lag Report

The Time Lag Report shows the number of days from the initial touch to the actual conversion, ranging from 0 days to 12+ days. This report is a good place to look to understand the length of your sales cycle. When using remarketing on the Display Network, check this report when deciding how long to set your cookie expiration. Figure 11-42 shows an example Time Lag Report.

Time Lag in Days	Conversions	Conversion Value	Percentage of total ■ Conversions ■ Conversion Value
0	378	$148,682.71	48.84% 40.18%
1	66	$35,044.61	8.53% 9.47%
2	39	$16,951.06	5.04% 4.58%
3	36	$14,990.60	4.65% 4.05%
4	21	$15,391.46	2.71% 4.16%
5	19	$8,922.57	2.45% 2.41%
6	20	$12,047.51	2.58% 3.26%
7	12	$3,816.94	1.55% 1.03%
8	13	$6,957.14	1.68% 1.88%
9	18	$13,658.18	2.33% 3.69%
10	9	$4,806.05	1.16% 1.30%
11	12	$10,411.46	1.55% 2.81%
12+	131	$78,400.57	16.93% 21.18%

Figure 11-42. A Time Lag Report

It is interesting to note that the bulk of the conversions happen initially and then again after 12 days. Often, the time lag will be greater for more expensive products because they take greater consideration.

The Path Length Report

The Path Length Report shows how many interactions a user has had with your site before converting. Multiple interactions can take place in the framework of a visit. This can cause discrepancies between the data in the Path Length Report and when using e-commerce tracking and the Visits to Transactions Report. (The Visits to Transactions Report is located under Conversions ➤ Ecommerce ➤ Time to Purchase.) Figure 11-43 shows a sample Path Length Report.

Path Length in Interactions	Conversions	Conversion Value	Percentage of total ■ Conversions ■ Conversion Value
1	106	$13,279.36	27.60% 9.43%
2	74	$29,336.05	19.27% 20.83%
3	40	$10,287.90	10.42% 7.31%
4	41	$8,320.68	10.68% 5.91%
5	31	$16,169.00	8.07% 11.48%
6	25	$12,551.41	6.51% 8.91%
7	17	$17,615.01	4.43% 12.51%
8	19	$9,935.16	4.95% 7.05%
9	11	$8,774.69	2.86% 6.23%
10	3	$3,835.84	0.78% 2.72%
11	3	$0.00	0.78% 0.00%
12+	14	$10,722.99	3.65% 7.61%

Figure 11-43. A Path Length Report

As with the Time Lag Report, more valuable transactions often take place after 12+ interactions.

Creating Custom Channel Groupings

In addition to the Basic Channel groupings, you can create custom groupings. Let's walk through this process by creating a custom grouping that is extremely relevant to AdWords, Search Network vs. Display Network. We will simplify the process by starting the custom grouping from a Basic Channel template. To get started in this way, select "Copy Basic Channel Grouping template," as shown in Figure 11-44.

Viewing: **Basic Channel Grouping** Source/Medium Source Medium Other ▾   Channel Groupings ▲

Secondary dimension: Select... ▾

Create a custom Channel Grouping...

Copy Basic Channel Grouping template...

Figure 11-44. Copying a Basic Channel Grouping template

The screen expands to include an area for editing your channel. The first step is to name your channel. This example, name your channel "Search vs. Display." The next step is to define your channels by editing existing labels. You need two new labels, so go ahead and delete all the labels but the first two. This leaves Paid Advertising and Organic Search. Your screen will look like the one in Figure 11-45.

Name:

Search vs Display

e.g., Generic keywords vs. Brand keywords

Label Rules Define labels for channels based on specific rules (e.g., if keyword contains "hotel", label it as "Generic keywords").

  1.   ▦ Paid Advertising

  2.   ▦ Organic Search

     + Add new Rule

Drag rules to specify the order in which they should apply.

Choose what to display if the above Label Rules do not apply.

(Other) ▾

Save Channel Grouping   Cancel

Figure 11-45. Creating a custom channel from a template

Next, you need to edit the labels to match your desired labels. For your Search label, edit the Paid Advertising label. Click Edit next to Paid Advertising. Rename the label to "Search" and then adjust the conditions to define traffic from AdWords search campaigns (Figure 11-46). Note that you keep the criteria for paid traffic and add the additional condition that the traffic must come from Google Search and search partners. Select a color and click Save.
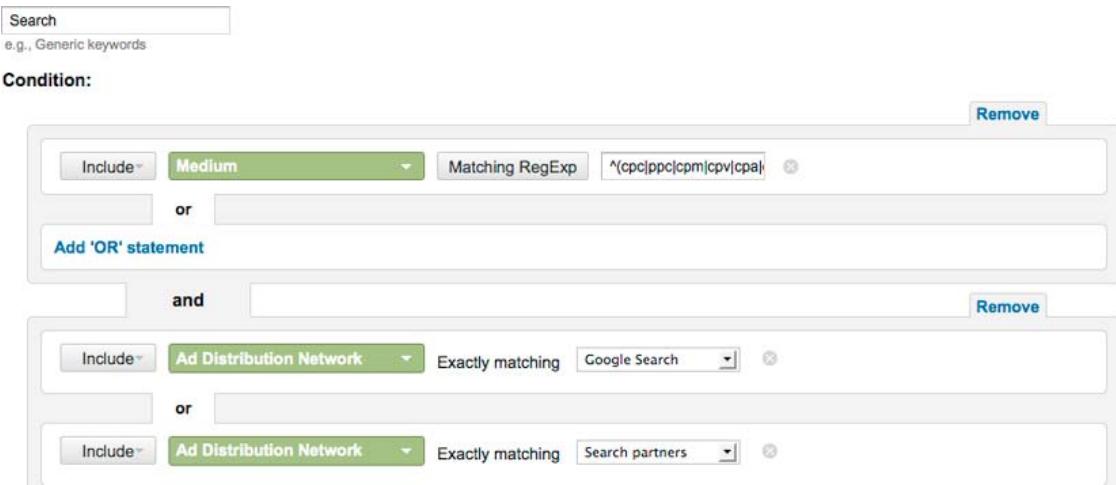
Figure 11-46. Editing a label to define Search Network traffic

Next, edit the Organic Search label to define a filter for Display traffic. For this label your traffic is from the paid medium and also from the Display Network. The new Display label is shown in Figure 11-47. In this case you can copy the paid traffic conditions and specify the Ad Distribution Network as content.
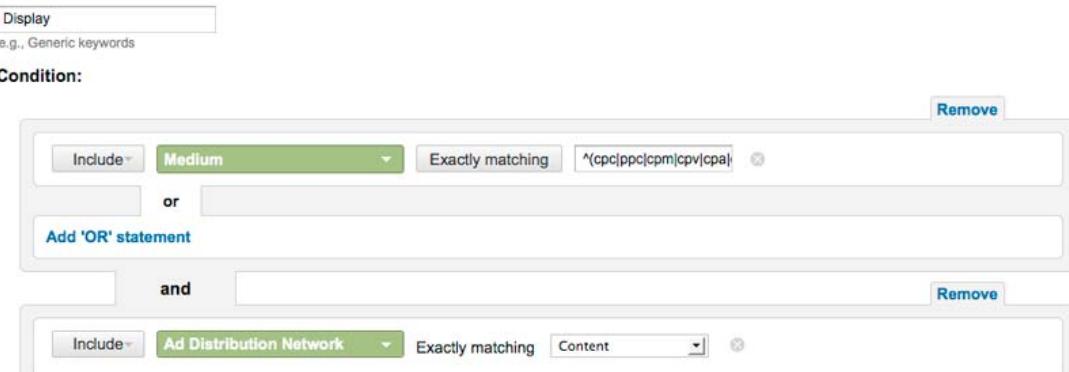
Figure 11-47. Editing a label to define Display Network traffic

Again, choose a color and click Save. Lastly, decide how you would like traffic outside these conditions to be labeled. The default is "(Other)" but you can choose something more descriptive such as "Source/Medium." Click Save Channel Grouping and your new custom channel is complete. The new channel is listed in the menu for Channel Groupings.

Summary

Understanding the data available in Google Analytics is a great way to gain a deeper understanding of who your visitors are and what they are doing when they get to your site. Familiarize yourself with the basic terms associated with Google Analytics so you can make sense of the various metrics.

There are several ways to isolate AdWords data within Google Analytics. Profiles and segments are both ways to filter the data related to AdWords. Google Analytics comes equipped with standard reports that provide information from the campaign level to the Destination URL level, with metrics related to site usage, goals, and e-commerce. In addition, you can create custom reports to access the data most relevant to your business model or strategy.

Motion reports provide a way of viewing five dimensions in an animated bubble chart over a period of time. These pack a tremendous amount of information into a single chart and can be very illuminating, once you learn how to use them. PivotTable reports are also a powerful way of aggregating and summarizing data within GA and can be generated directly in GA or by exporting the data to Excel and using Excel's PivotTable facility. Any report can be added to a dashboard, serving as a central location for your most valuable AdWords reports.

Another feature within Google Analytics that provides valuable data not offered in the AdWords interface is the Multi-Channel Funnels facility. The Multi-Channel Funnels Report allows you to see what channels, including AdWords, work together to generate conversions.

Next, in our final chapter, we explore how to take landing page optimization to the next level through the use of the Google Website Optimizer.

Testing with Website Optimizer

Never stop testing, and your advertising will never stop improving.

-David Ogilvy, British advertising executive

Test, and test again.

-Motto of the Accademia del Cimento, a scientific society founded in Florence in 1657

In this chapter, we will talk about one of Google's premium AdWords tools: the Google Website Optimizer (GWO). It's used to set up and manage tests of the performance of your landing pages, as well as to manage and view the data resulting from these tests. GWO offers two kinds of tests: A/B tests (sometimes called split tests or bucket tests), and multivariate tests. The ultimate goal of testing your landing pages is, of course, to improve your conversion rates, and the Website Optimizer tool can help you do this.

The A/B Test

A/B tests are simpler and less time-consuming than multivariate tests, which we will discuss later in the chapter. They test and compare how a change in a single element of a web page – usually your landing page, but it can be any web page involving a user action – affects the performance of the page. To do this, you will need two different versions of the page:

- A control page (the "A" page). Usually this will be the current version of your landing page;

- A variant page (the "B" page). This will be a modified version of the control page, and the effect of this modification is what will be tested. The modification can be any element defined within the HTML code of the page that may affect the user experience of the page, and thereby user behavior.

In most cases, you're going to be interested in the change in the conversion rate for your landing page; conversions are, after all, what most web businesses are after. But there are certainly other kinds of metrics that could be of interest in an A/B test. The changed element in the variant page could be one of any number of things:

- A different (if the control page has one) or new (if it doesn't) "call to action;"

- Different or new product copy;

- Different body copy;

- Different or new banner;

- Different or new point of action assurances. (A point of action assurance is a message or some other element on the page that assures users of their privacy and security when they need to enter what they consider sensitive information – such as a credit card number or an email address – to go forward with the conversion.)

- Different fonts;

- Different headlines;

- Different images;

- Different forms.

Aside from the control and variant pages, there must also be a conversion or completion page. Typically, this would be a "thank you for your order" page, or something equivalent. This is the last page of the process, and the user's arrival on this page is what indicates the conversion or completion of the test process.

In the next section, we will cover the process of setting up and running an A/B test.

Setting Up an A/B Test

In this section, we will walk through the process of setting up and configuring an A/B test. To do this, we will test how two different forms of a "Contact Us" page – one with a places map, and one without – affect the conversion rate. Conversion, in this case, consists in the user filling out the contact form. The original, or control page, is shown in Figure 12-1, while the variant page is shown in Figure 12-2. This setup is used only for the purpose of an example, and isn't intended to represent a realistic test.

Figure 12-1. Original version of the contact page
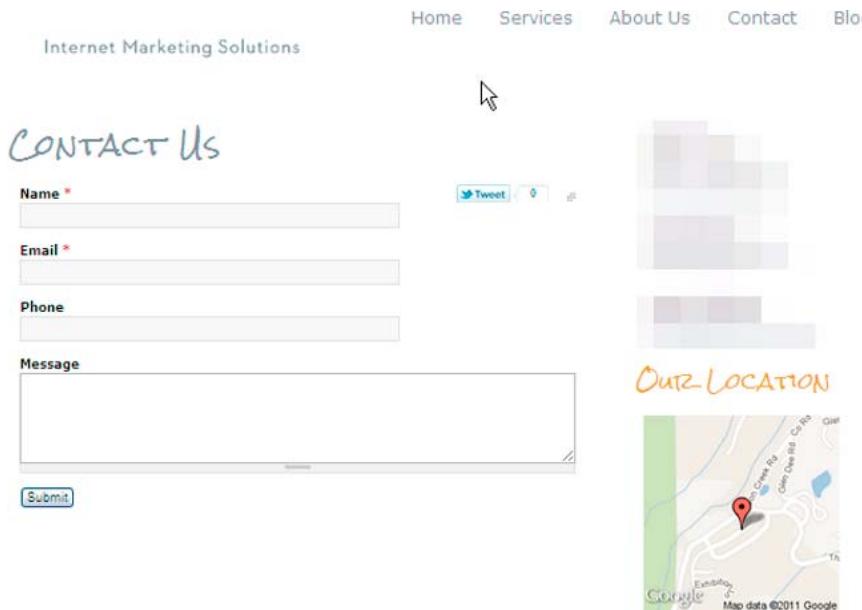
Figure 12-2. *Variant version of the contact page, with Places map*

Note that in the variant page, the "Join our mailing list" section (in the lower right of Figure 12-1) is still on the page, but is not included in Figure 12-2 because it is now positioned below the Places map.

To set up an A/B test, you will need to go the Google's Website Optimizer page:

```
google.com/websiteoptimizer
```

This should bring up the login page for the GWO, shown in Figure 12-3.

Figure 12-3. Google Website Optimizer login page

Enter your email and password for your Google account to log in. If you don't yet have a Google account, you can create one by going to:

`www.google.com/accounts`

Once you've logged into the GWO login page, you should see the Experiment List page, as shown in Figure 12-4. If you haven't set up or run any experiments previously, you should see the page displayed with no experiments listed, as is shown in the figure.

Figure 12-4. *Experiment List page*

Click on the "Create a new experiment" link, indicated in the figure by the position of the pointing hand-cursor. There's also a similar link at the bottom of the list frame.

Next, you should see a page that allows you to select whether you intend to set up an A/B experiment or a multivariate experiment (Figure 12-5). Click on the "A/B Experiment" link, the first of the two options.
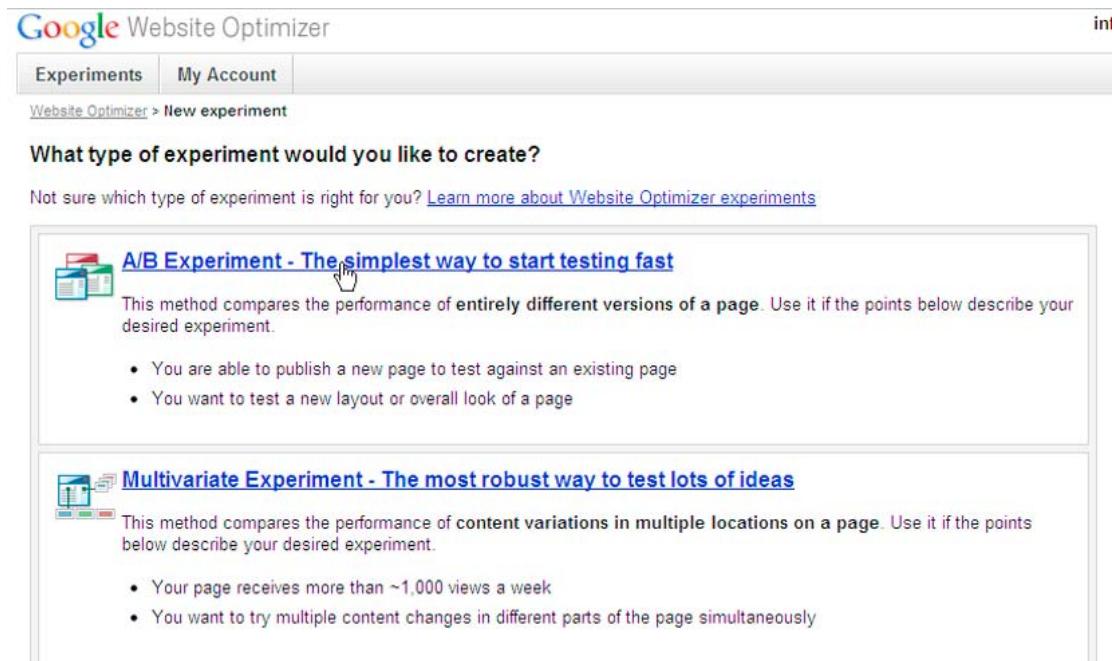
Figure 12-5. *Page to select which type of experiment to set up*

This will bring up a page titled "A/B Experiment Checklist" (Figure 12-6). This page provides advice on selecting your control (original) page (step 1), one or more variant pages, and your conversion page. Be sure to read the three steps carefully, and to have the URLs written down so you're able to provide these in the following page form.

Figure 12-6. A/B Experiment Checklist page

Click the checkbox at the bottom of the page to indicate you've completed the steps needed to set up your experiment, and then click the "Create" button immediately below the checkbox.

Next, you should see the "A/B experiment set-up" page (Figure 12-7).

Figure 12-7. A/B experiment set-up

On this page, you will need to enter a name for your experiment, plus the URLs for the control, variant, and conversion pages that you wrote down when you went through the set-up checklist. Under the "Name your experiment" section, enter a descriptive name for the experiment. This will be used in the experiment list page (see Figure 12-4) to show the list of your currently running, currently editing, and completed lists of experiments. The experiment name should be relatively brief but descriptive.

In section 2 of the experiment set-up page, enter the "Original page URL" for the original (or control) page. Google gives you no option but to use the name "Original," to avoid any confusion as to which page is designated as the base or control page for the experiment. The second part of this section is for entering the URL for the variant pages, which can be named anything you want. This part allows you to enter multiple URL's by clicking the "Add another page variation," in case you're testing more than one variation. (In this exercise, we could have several different sizes or placements for the map.) For the purposes of this example, we will go with a single variation.

If you do decide to test multiple variations, keep in mind that you will be splitting your traffic across this set of variance pages, so the test will need to run longer to accumulate a sufficient visitor count to achieve statistical significance. Recall that on the checklist page, Google states, "we recommend around

100 conversions per page variation over the course of your experiment." If your conversion rate is 5%, this would mean you would need around 2,000 click-throughs for each page to attain 100 conversions. If you have three page variations, this would mean 6,000 click-throughs spread across these three pages. So if you have low traffic volume, it could take a considerable time to complete the experiment.

The last step on the set-up page is to enter the URL for the conversion page. Note that each time you enter a URL for steps 1 – 3 on this page, the URL is tested to assure it points to a valid page. If it's valid, you will see under each URL that you've provided the annotation: "Page found." If the URL isn't validated, you will see a warning to that effect, and you won't be able to proceed until all URL's are confirmed as valid pages. If there are any issues with the URLs, you have the option to save the set-up configuration in its current state by clicking on the "Save progress and finish later" link at the bottom-right corner of the page.

If everything looks good and you're ready to proceed, click on the "Continue" button in the bottom-left corner. The next page you see should be the "Install and Validate JavaScript Tags" page (Figure 12-8).

Figure 12-8. Install and Validate JavaScript Tags page

Here you have two options:

- **Webmaster Install Option:** If you don't maintain your own website, you will need to have your webmaster install the JavaScript tags on each of your web pages involved in the test. Click the first radio button for "Your webmaster will install…" shown in Figure 12-8. The tool will generate a URL, shown in the lower half of the page. Copy the complete text string for this URL and send it in an email to your webmaster. Click the "Save progress and finish later" link in the bottom-right corner of the page. After the tags are installed on each of the pages, you can return to the WGO experiment list page, bring up the "Install and Validate" page, and click the "Check status" button to have the tool check for a valid installation for each of the JavaScript tags in your test pages (Figure 12-11). Your webmaster should already have done this, but it doesn't hurt to double-check this validation.

- **"Installing yourself" Option:** If you maintain your own web pages, click the second radio button ("You will install…"). If you click on this radio button and then click on the "Continue" button at the bottom of the page, the tool will display instructions for installing the JavaScript tags on your test pages. Figures 12-9 and 12-10 show screen shots of the instructions that walk you through how to set up and install the JavaScript in your test pages. Follow steps 1, 2 and 3 of this page to cut and past the JavaScript code into the HTML for your original, variation and conversion test pages. After you have done this and published the updated pages (step 4), click the "Validate pages" button at the bottom of the page (Figure 12-10).

Google Website Optimizer

New A/B Experiment
Step 2: Install and validate JavaScript tags

Once you've pasted each of the JavaScript tags into your experiment pages and uploaded them to your webserver, click "Validate pages" at the bottom of this page so we can make sure everything is good to go.

1. Original page: Add your control and tracking scripts

> ○ Original: ▣ http://www.webshine.com/contact-us

▦ View a sample source code

Control and Tracking Script: Paste the following script **immediately after the opening <head> tag** of your original page's source code. ⑦

```
<!-- Google Website Optimizer Control Script -->
<script>
function utmx_section(){}function utmx(){}
(function(){var
```

2. Variation pages: Add your tracking script to each page

> ○ Variation 1:   ▣ http://www.webshine.com/contact-us-0

Tracking Script: Paste the following script **immediately after the opening <head> tag of all (1) of your variation pages'** source code. ⑦

```
<!-- Google Website Optimizer Tracking Script -->
<script type="text/javascript">
  var _gaq = _gaq || [];
  _gaq.push(['gwo._setAccount', 'UA-20895845-2']);
```

Figure 12-9. Instructions for installing the JavaScript tags (first half)

3. Conversion page: Add your tracking script

⊜ Conversion page: 🔗 http://www.webshine.com/locationmap
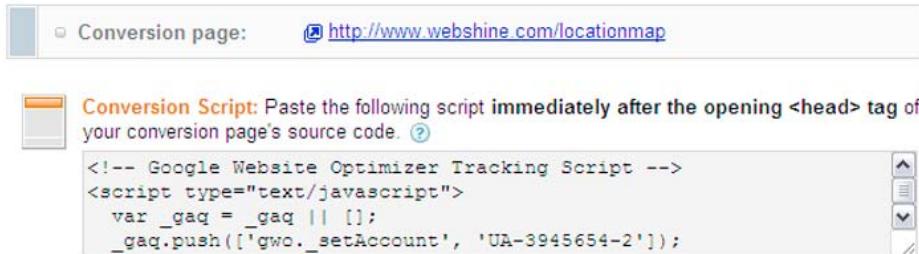
Conversion Script: Paste the following script **immediately after the opening <head> tag of** your conversion page's source code. ⓘ

```
<!-- Google Website Optimizer Tracking Script -->
<script type="text/javascript">
  var _gaq = _gaq || [];
  _gaq.push(['gwo._setAccount', 'UA-3945654-2']);
```

4. Publish and validate your pages

After you add your tags, **publish your updated test, variation, and conversion pages on the web.**

We will check your pages to make sure that the scripts are correctly placed.

☞ [Validate pages]   💡 **Pages not accessible?** Click "Validate pages" anyway. If we can't access something, we'll ask you to manually upload your pages for validation.
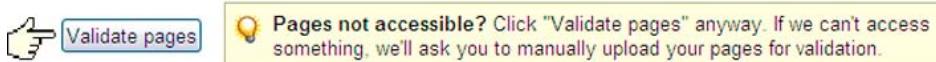
Figure 12-10. *Instructions for installing the JavaScript tags (second half)*

Any time you click a "Check status" button to test the validity of the JavaScript installation, you should see an "Installation status – Checking" indicator similar to that shown in Figure 12-11.

Click 'Check Status' to view the installation status. Return to this page and click 'Check Status' once JavaScript tags.

Installation status   ⟳ Checking...   [Check status]

[« Back]   [Continue »]
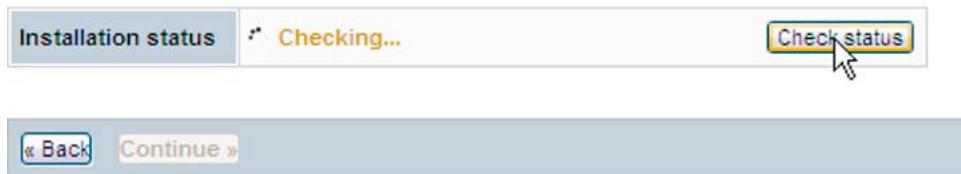
Figure 12-11. *Checking JavaScript tag installation status*

When you click the "Check status" button, the tool will look for and validate the installed JavaScript tags in each of your test pages. Figure 12-12 shows the "Validating URLs" panel, with an animated "I'm working on it" icon shown to the left of the name of each test page. This process can take some time, especially when multiple variation pages are included in the test.
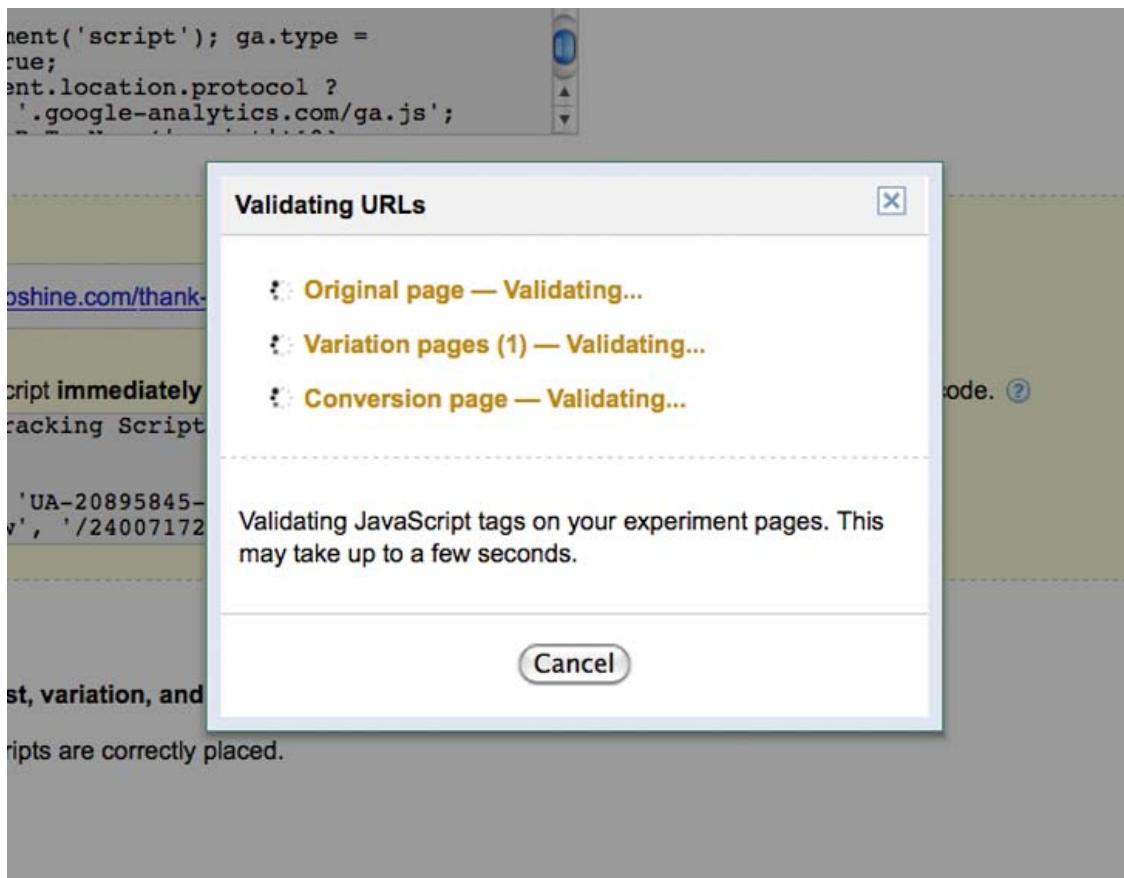
Figure 12-12. Validating test page URLs

When this process completes, assuming all URL's are working and the JavaScript installation is validated, you should see a panel indicating the installation is complete for each of your test pages (Figure 12-13).
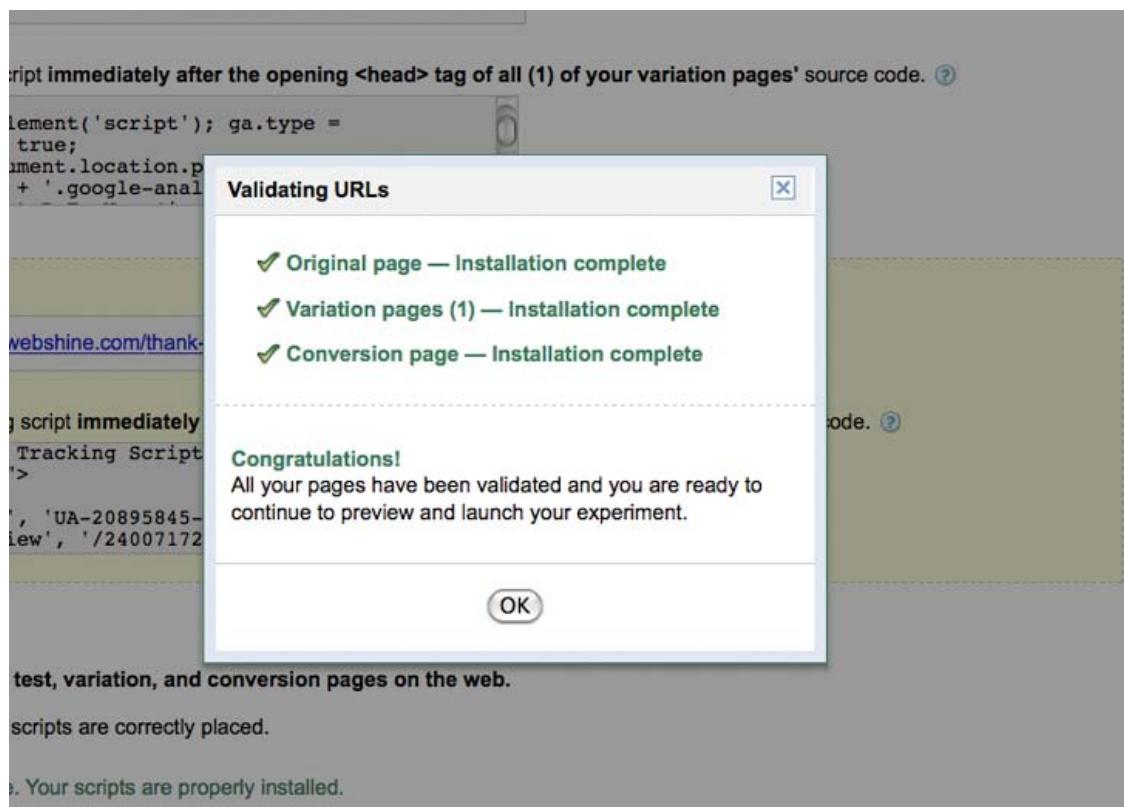
Figure 12-13. *URL validation completed*

Click the "OK" button on the "Validating URLs" panel to proceed to the "Preview and start experiment page" (Figure 12-14). This will display links to each of your test pages; you can click each of these to validate that these are the pages you want included in your test. There are also a couple of links you can use to preview the test. Finally, there's a link for rechecking the URL's and JavaScript tags.

Figure 12-14. *"Preview and start experiment" page*

Once the GWO tool validates the JavaScript tags and URLs, you can click on the "Preview this experiment now" link (shown at the bottom left of Figure 12-14). This will allow you to preview the pages as a user, and to see how your original and variant pages look. Clicking on the "Start Experiment" button at the bottom left of the page will turn the experiment on and start the collection of data needed to determine the outcome of your experiment.

Managing your Experiment: The Settings Page

Of course, setting up and starting your experiment is only the first part of the process. Now the waiting begins, because it's necessary to allow enough traffic to occur over time to achieve statistically significant results.

As an example, let's take a look at an experiment being run for a tea company. Figure 12-15 shows an experiment list for the tea company's website, with two running experiments. Looking at the second experiment in this list, titled "Tea Sachet Test," the table shows a total of 4,882 page visitors with 536 conversions, or a conversion rate of 10.98%.

w

Figure 12-15. *Experiment list with two running experiments*

Before looking at the data for this experiment, let's review the settings: clicking on the "Edit settings" link in the "Status" column of the table brings up the web page shown in Figure 12-16.

Figure 12-16. Settings page for the "Tea Sachet Test" experiment

Here's a run-through of the components on this page, starting at the top:

- **Status:** Immediately under the experiment name at the top of the page ("Tea Sachet Test"), the status shown is "Running." This means GWO is collecting data for the test, and that every visitor to the original and variant pages is being counted, along with each conversion completed for the original or variant test pages. Other links on the status line are described below.

- **Pause:** Clicking this link will pause the test, changing the status to **Paused** and replacing the link to the right with "Resume." This will stop the collection of test data until you resume the experiment. New visitors to your site will see the original test page until the experiment is resumed, but visitors who saw a variant page and return later will still see the page they saw when the experiment was running. If these visitors convert while the experiment is paused, this conversion data will still be counted as part of the test, even though it is paused.

- **Stop:** Clicking this link will stop the experiment, and no more data will be collected. Stopped experiments cannot be resumed later, so this action should be taken only when you're sure you're done with the experiment. However, you can stop an experiment and then copy it and modify some or all of the combinations in the experiment before launching the copy. The only caveat is that the data from the stopped experiment won't carry over to the copied experiment. When you stop an experiment, you will have an opportunity to choose which combination of pages you would like to display to visitors until you remove the JavaScript tags from your pages.

- **Follow Up:** If the test you're running indicates a particular variant or combination is performing well, this option allows you to set up a follow-up experiment to run against your original combination to collect further data. The advantage of doing this is that you can collect more data to confirm a good combination before permanently installing a new page or combination on your website.

- **Copy:** This enables you to copy an experiment, modify some or all of the combinations, and then launch the copy as a new experiment.

- **Report:** This will display the conversion data for each test combination over the period the experiment has been running. This is described in detail in the next section on reporting.

- **Dates:** Below the status options, the creation date of the experiment and the launch date are displayed.

- **Experiment pages:** This section lists the URL's for the original, all variants, and conversion pages. Below this list, the total number of page visitors counted to date and the total number of conversions are displayed.

- **Settings and design:** This displays the total number of test combinations in the experiment, and provides a "Preview" link for viewing the original and variant pages. This section also allows you to set the percentage of traffic sent through the experiment. The drop-down menu for this percentage allows several preset figures, or you can enter your desired percentage if none of the preset percentages is what you want.

- **Experiment notes:** This is a text pane for entering notes on the experiment. This is especially useful if you run more than just a few experiments, since it can be difficult to remember which experiment was set up for what purpose as time goes on. You can enter a description and intent for the experiment, as well as notes describing the difference for each variant page or combination. This text pane allows up to 2,000 characters.

Reporting (and the Winner is…)

Of course, the reason for running tests of your pages is to pick a winning combination in terms of performance – usually measured by conversion rate. To do this, you need to see the data, and to see the data, you need to use GWO's reporting function.

Click on the "Report" link on the status line of the settings line for the experiment. Again, this is immediately under the experiment name at the top of the page (see Figure 12-16). This will bring up a page showing a time series graph of the estimated conversion rate, from the start of the test to the current date or to the last date the experiment was paused or stopped (Figure 12-17).
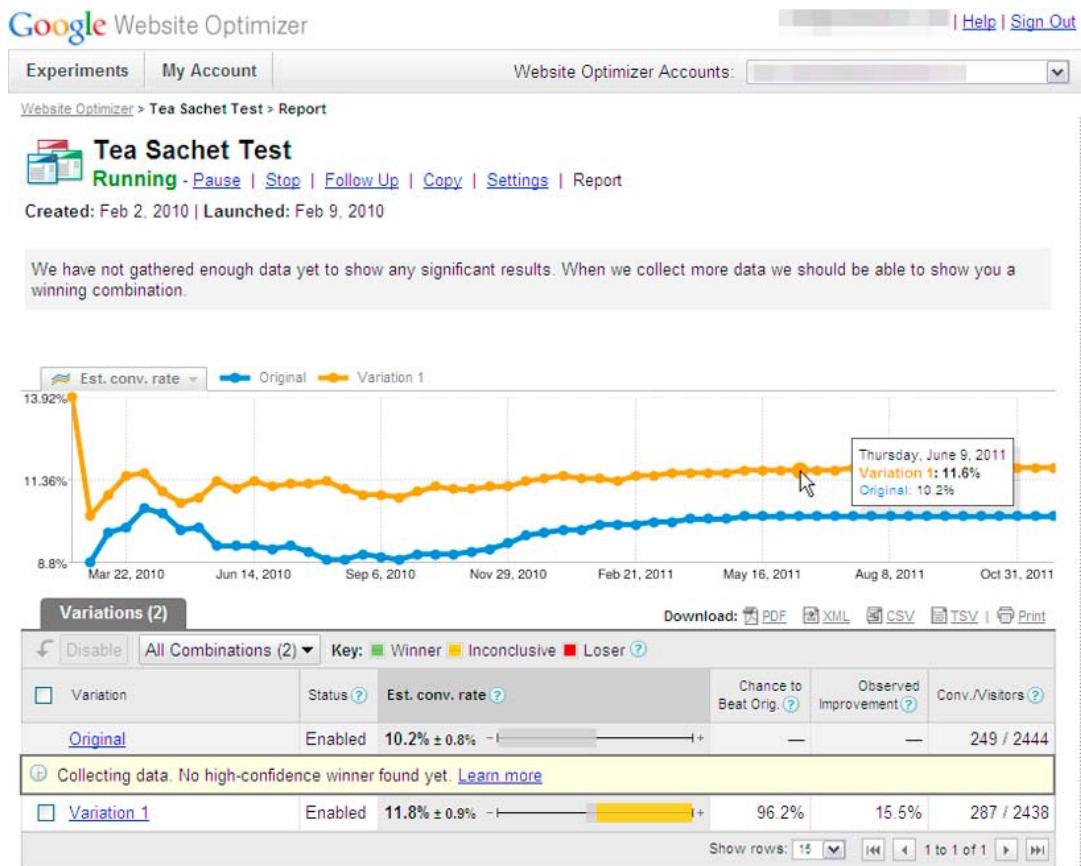
Figure 12-17. Tea sachet test report

Note that you can cursor over any data point shown on the time series, for either the original or the variant combination, to see the data point annotated with the date and conversion rates for all test combinations shown on the graph. (This feature is illustrated at the center-right of the graph in Figure 12-17.) The data point on the trend line also enlarges to show which one belongs to the annotation.

Below the graph are links for several download options. None of the download options will provide individual time series data points: only the aggregate data for the original and the variations is provided. The PDF download option will download a PDF version of the report page, excluding the time series chart. The XML, CSV (comma-separated values), and TSV (tab-separated values) can be imported to a spreadsheet application, such as Excel, or a database, such as Access or MySQL.

The table section below the time-series chart (with the "Variations (2)" tab) displays the aggregate estimated conversion rate data for the original and each of the variations set up in the experiment (in this case, only one variation). The name, status, and estimated conversion rate, with margin of error, are shown in the first three columns. If enough data has been collected over the course of the experiment, winning combinations will be shown with a green bar in the "est. conv rate" column, and losing combinations will be shown with a red bar. Inconclusive combinations are shown in yellow.

Note that the annotation below the "Original" row of the results table indicates "No high-confidence winner found yet." This essentially means that there isn't enough data collected yet to provide sufficient statistical significance to indicate a winning combination, even though Variation 1 has a 96.2% probability of beating the original. With a margin of error of ±0.9%, the estimated conversion rate for Variation 1 could be as low as 10.9%, while the margin of error of ±0.8% for the Original combination could bring the estimated conversion rate as high as 11%. This slight overlap of possible conversion rates between the two combinations is why no clear winner can be established.

■ **Note** You can track traffic and conversions with Google Analytics for your experiment's web pages without causing a conflict with GWO. However, you will need to set up the test pages in Google Analytics separately in order to do this. (See chapter 11).

GWO and Google Analytics

Using Google Analytics in conjunction with GWO provides better granularity for reviewing your test results. Your test results will have more value when you are able to look at the data in the context of your site statistics, individual goals, and transactional data (if you are tracking).

To incorporate your GWO data into GA in a meaningful way, you will need to create GA segments for the pages within your GWO experiment. In Chapter 11 we outlined the process of creating a custom segment. To segment your GWO data, first create a segment for your test (or variant) page. Name the segment to match your test page and then define your segment. The dimension is a "Page" or "Landing Page" and you can find the correct page by entering the URL extension (Figure 12-18). Repeat this process for your original (or control) page.
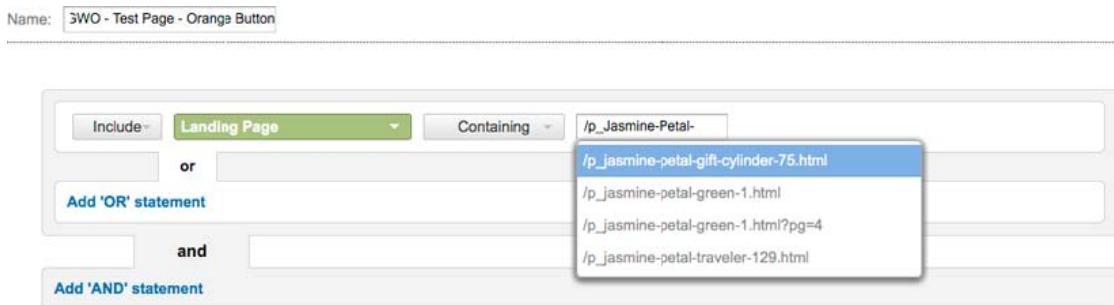
Figure 12-18. Creating a custom segment in Google Analytics to view GWO data

Apply the segments by using the pull-down for Advanced Segments and selecting both of your newly created GWO segments. Click "Apply." With these segments activated you can view all the metrics available in Google Analytics in relation to your GWO experiments. Using segments allows you to compare GWO results at the campaign and ad group level. Segmentation also gives you the ability to see GWO results in relation to overall site statistics to allow for variation due to seasonality and other factors.

Multivariate Testing

A/B or split testing is also called univariate testing, because it tests only one variable, such as a headline wording, or the color of an "Add to Cart" button. There's another, more complex form of testing, termed "multivariate testing." This form of testing uses statistical techniques to test a combination of two or more variables.

Multivariate testing can be quite complex, and a full exposition of the subject is beyond the scope of this book[1]. In most cases, this form of testing isn't feasible for low- to moderate-traffic websites, because it requires large traffic volumes to produce statistically significant results within a reasonable time. However, to give the reader an idea of the amount of traffic and time required for a typical case, we will walk through a short example.

A Short Case Study

Let's say a business wants to test combinations of four different factors or variables for its landing page:

- Two different versions of an image on the landing page (2);

- The presence/absence of a Places location map (2);

- Five different banners (5); and

- Six different headlines on the landing page (6).

---

[1] A good place to start is Bryan Eisenberg, John Quarto-vonTivadar, and Lisa Davis: *a/b always be testing: The Complete Guide to Google Website Optimizer* (Wiley, 2008). Also see the Wikipedia articles on Multivariate Statistics and Multivariate Testing.

The number of combinations to be tested would be calculated by multiplying the number of possibilities for each variable (shown in parentheses in the above list):

$$2 \times 2 \times 5 \times 6 = 120.$$

As you can see, with more than a very low number of variables, it's easy to run into a "combinatoric explosion" of the number of combinations you would need to run in a multivariate test.

This type of test can often take very long time to generate enough data to achieve statistically significant results. The time required will depend on several factors, including:

- Number of combinations to be tested (120);

- Page views per day your ad is generating (1,000);

- Percentage of traffic included in the test (100%);

- Current conversion rate (4%); and

- Expected improvement in conversion rate your top performing combination provides (10%).

The numbers in parentheses are the values we will use as an example in what is to follow.

Google provides a Duration Calculator[2] that will provide you with an estimated test duration, once you have an idea of your test configuration. Figure 12-19 shows the estimated duration calculated for the multivariate test we just outlined above to be a little over 7,721 days, or a bit over 21 years. Even if we could raise the page views per day by a factor of 10, to 10,000 (leaving the other factors unchanged), the test would still take 2.1 years.

Clearly, this isn't going to work, so we will need to do something to make the experiment more realistic in terms of the amount of time required to generate usable data.
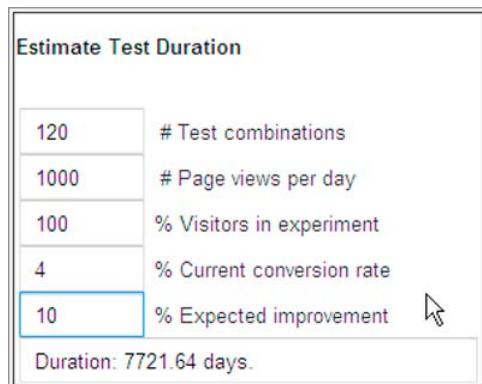
Estimate Test Duration

120	# Test combinations
1000	# Page views per day
100	% Visitors in experiment
4	% Current conversion rate
10	% Expected improvement
Duration: 7721.64 days.	

Figure 12-19. Duration calculator first cut, with 120 combinations

To speed up the process, let's eliminate one of the variables from the experiment: the banner. If we keep the same banner across all tests, this would reduce the number of combinations by a factor of five (since we were going to test five different banners), to 24. Changing the number of combinations from

[2] http://adwords.google.com/support/aw/bin/answer.py?hl=en&answer=61688

120 to 24 in the calculator, we get a duration of a bit over 1,115 days, or a little over 3 years (Figure 12-20). Still unworkable!
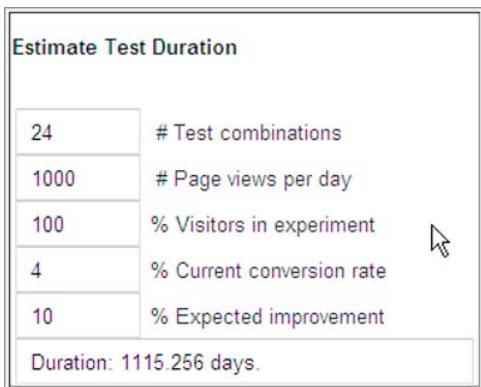
Estimate Test Duration

24	# Test combinations
1000	# Page views per day
100	% Visitors in experiment
4	% Current conversion rate
10	% Expected improvement
Duration: 1115.256 days.	

Figure 12-20. Duration calculator second cut, going from 120 to 24 combinations

Now let's try bumping our percentage of expected improvement in the conversion rate from 10% to 50%, just to see what might happen. To achieve this result, at least one of our test combinations would have to result in a conversion rate of 6%, rather than the 4% we were getting with our original ad configuration. This would be a 50% improvement. Figure 12-21 shows that this reduces our estimated time required to around 52 days. This is a more reasonable possibility for the time span we would need to run a test with useful results.
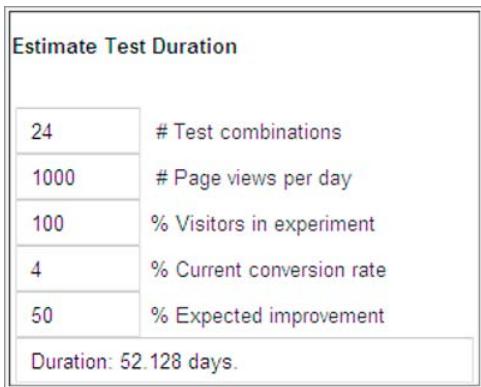
Estimate Test Duration

24	# Test combinations
1000	# Page views per day
100	% Visitors in experiment
4	% Current conversion rate
50	% Expected improvement
Duration: 52.128 days.	

Figure 12-21. Duration calculator third cut, with 50% expected improvement in conversion rate

This example should give you a feel for the considerations involved in setting up a multivariate test for your website. If you have a high-traffic site, running multivariate tests may be feasible, but this will require some investigaton and planning. It's a good idea to bring up Google's duration calculator to plug in your own numbers and get an idea of whether a multivariate is going to work for your situation. Small businesses with AdWords accounts rarely, if ever, use this form of testing because of the burdensome requirements in terms of time and traffic. There may be situations where a multivariate test can provide real value in tuning one or more of your campaigns, but embarking on such a project should be

undertaken only with careful analysis and planning. Usually, going the multivariate route should be considered only when A/B tests won't get you there.

Summary

In this chapter, we covered the interface for the Google Website Optimizer (GWO) in some detail. We also went through the process of setting up an A/B test (also called a split test or univariate test) for your ad campaign using the GWO. This involved defining the URL for your original (control) page configuration in the GWO, as well as URLs for one or more variant page combinations, and a conversion page. Another step in the process required installing and validating JavaScript tags in the original, variant, and conversion pages. These JavaScript tags enable Google Analytics and the GWO tool to track visits and conversions over the course of the test.

After that, we went over the process of managing and monitoring your experiment, including how to pause, stop, and copy a test, as well as create a follow-up test. We also went over the reporting option of GWO, and how to interpret and download your test data using the GWO reporting interface.

Finally, we discussed multivariate testing, where multiple variables of a web page can be tested simultaneously. Multivariate tests can require extremely long test runs if your website traffic is not sufficiently high. Google's test duration calculator is one way of seeing how your test parameters will affect the estimated duration of your test, and how these can be modified to make the test able to run over a reasonable period.

Index

■ **N**

The Definitive Guide to Google AdWords

Create Versatile and Powerful Marketing and Advertising Campaigns

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Bart Weller
Lori Calcott

Apress®

To Kathie, my wife, best friend, and companion, and our three kids, Frosty, Shaun, and Kirry. And to Mom, who instilled a lifelong love of learning and ideas.

–Bart Weller

This book is dedicated to all the people who kept the engines going while I tapped away. First, to my husband, Aaron, who spent countless hours in kitchen and changed countless diapers. You are the best teammate a girl could ask for. Thanks to Lindsay who not only made certain our business got off the ground but also kept it afloat at new heights.

–Lori Calcott

Contents

About the Author

■ **Bart Weller** is a software developer and writer. He lives in the Central Rockies of Colorado with his wife, two country cats, six misanthropic llamas, and dog Duffey (named in honor of the late John Duffey, former lead tenor with the Seldom Scene bluegrass band). He loves all kinds of music except for Heavy Metal and is a volunteer DJ at the local community radio station. His hobbies are clearing deadfall and fixing things. Among the people he admires are Albert Einstein, Alan Kay, Abraham Lincoln, George Carlin, Richard Feynman, and J.J. Cale. (Photo by Teryl Lundquist)

■ **Lori Calcott** is a partner at webShine (`www.webshine.com`), a search marketing business in Aspen, Colorado that focuses on helping businesses increase revenue through online visibility.

Lori received a BS in Biochemistry from Pennsylvania State University in 1997. After graduating from college, she moved west and switched gears by landing in the Rocky Mountains and the world of marketing. Lori started in search marketing in 2001 while working for a start-up and handling "all things marketing." As a self-proclaimed PPC geek, Lori has transitioned through the paid search space from early days of paid advertising with Overture through Yahoo's Panama update and now works tirelessly to keep up with world of AdWords, MSN AdCenter, and Facebook marketing.

Lori lives in Aspen, Colorado, with her husband, Aaron, and two kids. She can be found playing with her family on the slopes and in the mountains.

About the Technical Reviewer

- **Christopher Klein** http://38alleys.com

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