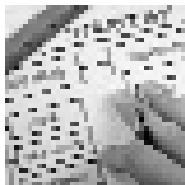


## 2

# Defining your strategy



To fully harness the potential of Google AdWords, it's of paramount importance to fully understand what Google AdWords is, how it works, and how you can make it work for you and your online business. You may have dabbled with AdWords already and enjoyed some success or suffered abject failure. You may have been using AdWords for years and you're just reading this book to find a couple of hints and tips to improve on your current campaigns. Whatever your background with AdWords, it never hurts to take a breather, refresh yourself and 'go back to basics' – not least because Google is always changing and we all run the risk of falling into a rut with our behaviour and thought processes, which means we can often overlook some of the simple ways to improve our campaigns.

### Google AdWords in a nutshell

AdWords is advertising, pure and simple. Google knows it's got a search engine that works and that users trust. Of the many millions of searches that take place on Google every single day, some of them will be for a word or phrase (*keyword*) that relates to the product or service that your website offers. Users see the search results to that keyword query in list format and from there they may or may not click on a link to a website. If you are lucky, there is a link to your website on page 1 of those search results, but for many of us this isn't the case. While there is a lot that can be done in terms of search engine optimisation, this might take a while to come into effect, and if it's a particularly busy and competitive market, we might never see our site ranked on the first page. So what are you to do? Give up?

No. AdWords allows you the opportunity to place an advert in front of Google users searching for one of your keywords, with immediate effect. Those users may be searching for that word or phrase for a whole host of reasons – not everyone is shopping 24/7 (although, as optimistic marketing types, we really wish they were).

Multiply this scenario across the day and it's apparent that most users are primarily searching for information, not for where they are going to spend their hard earned cash next. However, some of those users are looking to buy, and, even though you might have only set up your website this morning, you can conceivably be listed on page 1 of the results tonight if you want.

When Veechi first started her website, selling accounting software and business titles, she had a brand new website, no track record, scarce brand awareness and not a single in-bound link. Yet on day 2 of her website's existence, she was up there in the top spot of the first page in Google. Sure , this no. 1 listing was a Adwords Listing, not a natural listing, but there she was nonetheless.

What's so great about AdWords is that it's set up to only cost you money when it's working for you. If someone clicks your ad, you pay for that click. If someone ignores your ad, you don't pay a cent. All those users who were searching for cheap MYOB software didn't cost Veechi a cent – they saw her ad, and ignored it. But for the users who wanted to buy a book about MYOB software, Veechi's ad was perfect. Sure, when they clicked, it cost Veechi

## **Google AdWords that work**

thirty cents or so per click. However, these users found Veechi's site and many went on to become loyal and returning customers.

AdWords works because it is so unobtrusive – obvious to those on the lookout for what it is you sell or do, and yet just part of the background for those users who are intent on something else – and the best bit is you are only paying for it when it's working for you. Not only has an advertiser never before had so much control over where, when and how an advert is displayed, but also the depth and breadth of the data you can receive on the advert's effectiveness (or not, as the case may be) is staggering. Google AdWords is your friend.

### **Getting results with Google AdWords – abridged**

There are, of course, exceptions to the rule and other factors that must be considered, which we'll explore throughout this book, but generally speaking the more you are prepared to bid for a customer's click on your ad (in comparison to your competition), the higher up the list your ad appears. Other factors, such as the relevancy of your landing page, come into play, but as a baseline AdWords is driven by how much you're prepared to pay Google

per click, and how much other advertisers are prepared to pay for the same keyword. Money talks. Now the clever thing about AdWords is that Google does not value the depth of your wallet over all else. Your *ad rank* is also decided by how relevant each particular keyword is, something that Google refers to as the keyword's *quality score*.

Now, assuming your advert is then ranked somewhere within the top six, hopefully you'll begin to receive *click-throughs*. The rate of click-throughs you receive in comparison to how many times the ad was shown (impressions) is represented as a click-through rate (CTR). This is expressed as a percentage figure.

If a particular keyword doesn't receive enough click-throughs (roughly one for every 200 impressions), Google will reduce how often it shows the ad. If the keyword continues to fail, Google will stop displaying the ad because it's not working for either of you.

We're loath to write what a good CTR is, or what CTR you should be aiming for, because it depends on so many factors, not least

## Google AdWords that work

how much you're paying per click and, should that click-through result in a user buying a product or a service from you, how much you charge for your product or service and how much of that is profit. So, you need to decide for yourself what a good CTR is, and what a good conversion rate is, because this statistic is particular to your own business.

The good news is, although you might have to bid high to get your new ad campaign established at first, if you have created an effective ad that attracts users and therefore results in click-throughs, Google will regard your ad well. Google rewards ads that work and will begin to lower the cost-per-click price of your ad – so, each click will begin to cost you less while you continue to maintain your high position.

The more successful your ad, the cheaper each click-through becomes, so you in turn get more clicks for your money. Assuming these click-throughs convert into customers, you'll have even more money to spend on AdWords, and the cycle continues. If only everything worked as smoothly as this! Unfortunately, there will be other advertisers competing for the same keywords, with

similar ads all looking to jostle you for your position. This makes AdWords a constantly changing landscape, meaning that you always have to keep your eye on the ball.

Now, as a high CTR is one of the determining factors contributing to your ad's quality score, and thus positioning (and, therefore, the success of your ad campaign), it should be clear to see why writing that 'killer' ad is paramount. It is the ad copy that will attract users to click on your ad and it is the ad copy that will make your ad stand out from the other ads listed for that keyword. Every ad starts with a headline. A poor headline – or, worse, a headline that becomes part of the generic 'noise' on the page – is going to fail to attract clicks and, although non-clicks aren't costing you money, they're not making you money either.

Sadly Google Adwords success is not as easy as creating a winning ad and then sitting back and counting your millions. Oh no. You see, your competitors can see what your ad looks like, and if it's

## Google AdWords that work

perceived to be more successful than theirs, then they're going to modify and improve their ad. These competitor alterations will affect your CTR and in turn you'll need to modify and improve yours to stay ahead of the game. You should know now that embarking on an AdWords campaign can reap rewards, but the process of managing your campaign is time consuming and involves real work. If you're not prepared to work at it, then it's probably best to stop before you start and put an ad in the Yellow Pages instead.

Still on board? Great. Well, let's explore some of this in a bit more detail ...

### Setting up your 'campaign'

There's little point repeating what is freely available within the extensive 'Help' and 'Info' pages available on the Google website. What we will do, though, is expand on the areas where new users seem to have problems when first trying to navigate their way around setting up their first campaigns.

An important variable you will need to decide on at campaign level is the *networks* on which your ads will be shown. The good news is

you can edit your choices at a later date, depending on whether you want to expand or reduce your exposure. These are the choices:

- **Google Search** – this is pretty self-explanatory: the ‘Google Search’ page. When a user enters a keyword or phrase into Google’s search box, Google displays the results on a ‘search results’ page. Exactly which Google search results page your ad is displayed, and in which position, is determined by the keywords you choose and the amount you bid per click, plus a whole host of other determining factors explained later.
- **Search Network** – is the generic term for Google’s recognised partners. This list of partners will change over time, but they are trusted sites with which Google has a corporate relationship. Examples include AOL and Ask.com. So, if you decide to advertise on the Search Network, chances are your ads will show to users searching on partner websites other than Google. Bear in mind that although Google is big, 20% of web searches in Australia are taking place on search engines other than

Google. That's one in five searches. Displaying your ads on the Search Network is a simple way to expand your exposure to non-Google users without having to set up numerous ad campaigns with numerous separate search engines.

- **Content Network** – the official info page from Google explains that the Content Network ‘comprises hundreds of thousands of high-quality websites, news pages and blogs that partner with Google to display targeted AdWords ads’. The international info page shows the branding of Channel 4, The Times Online and Vogue.com as example network partners, and the Australian info page includes The Sydney Morning Herald as well. It is indeed true that there are a number of ‘authority’ websites, with good content and high traffic, who are signed up as Content Network partners, but for every one of these recognisable websites, there must be one hundred thousand micro-sites trying to get in on the action – essentially any monkey with a website or a blog who's trying to make ‘millions’ through running Google AdSense.

As you've probably guessed, we're not fans of the Content Network. We'd love to be persuaded otherwise, but for us it has never worked. We find we don't get the click-throughs and, when we do, they don't convert. This could of course just be the industries and specific websites we've been promoting through AdWords, but we remain unconvinced. Certainly give it a go, but we strongly recommend turning Content Network off when you first launch a new campaign, for the simple reason that there are so many variables affecting your AdWords campaign and you need to try to remain in control of as much as possible. Being able to measure your CTR is one such variable. If everything is working well through Google Search, then feel free to expand across the Google Network. You'll be able to track very quickly whether the inclusion of your ads on the network is helping or hindering your performance.

If you do feel that Search Network and Content Network are something that you'd like to pursue, please go ahead, but set up a separate campaign to manage your ads: one for Google Search, one for Content Network and one for Search Network. You need to keep the CTRs separate so that it is quite clear what is working for

## Google AdWords that work

you and where. With a separate campaign, you'll be able to make a direct correlation between cost of advertising and sales as a direct result, without having to decipher the figures.

The beauty of doing separate campaigns is that it is also easier to manage your bids – which may differ wildly depending on the ad's destination. People clicking on Content Network ads often do so on impulse, and are much less likely to 'convert' into a sale. For this reason we're far less willing to bid at the higher end of the scale for Content Network ads.

Without doubt, the best 'quality' of users are those generated through Google Search, so this should always be your major focus (unless real sales data prove that your ads and business buck the trend and work a treat through the Content Network or Search Network).

In defence of the Content Network, one of its strongest plus points is, depending on the partner site, the ability to display *image ads* and even *video ads*. We address video ads at the end of chapter 7. There are exciting things afoot with Google AdWords and the embracing of video and image ads, which are going to be of significant benefit to certain industries – not least those whose business is images and related commerce.

### **Make sense to AdSense**

Those of you who wish to follow the path of advertising via Google's Content Network should bear in mind the types of sites that run Google AdSense. Although there are exceptions to the rule, more often than not these are sites that don't sell products or services themselves and therefore the revenue they receive from serving AdSense ads and other advertising represents their entire income stream. Generally they are content providers. It is therefore likely that the ads will be placed in a prominent position (high up on the page).

## Google AdWords that work

The trick is to make your ad fit in with the surrounding site. Many sites running AdSense are forum, portal or special interest sites, concerned with a specific issue, such as [www.writers.net](http://www.writers.net), a website for existing and aspiring writers, runs AdSense. To encourage users to click on an ad from a Content Network page rather than a Google Search result page requires a slightly different approach.

Rather than trying to cast your net wide, research the sites and choose which ones you wish to appear on. If you know where you're going to be, you can tailor your ads to speak to that specific audience. Once you have a few weeks of activity clocked up, the reporting tool will show at a glance which sites you're appearing on and the conversion tracker will confirm if the impressions are converting to click-throughs for you. Remove yourself from the deadwood and improve the ads on your revised list of sites.

Also, stay aware of negative news events that may cause inappropriate display of your ad. Veechi remembers reading an online news story where a Sydney family came across something disgusting in their gelato (we won't say what). Right next to this news article appeared guess what? An AdSense ad for gelato machines . . .

### Daily budget

Your *daily budget*, is the amount you are prepared to spend per day, not how much you are prepared to spend per click. The bigger your budget, the longer it will take for you to spend it, and therefore the more impressions your ad will receive, which in turn increases the chances of users clicking through. Your budget is only spent when a user clicks on your Ad, not how many times your ad is shown (this is the number of impressions). Google will determine, based on its own algorithm, how often to show your ad based on (a) your total budget and (b) the price you are prepared to pay per click.

Let's say that you have a budget of \$10 per day. Just to keep the numbers nice and simple, imagine you are bidding \$0.10 per click for the keyword 'garden gnome'. Again, to keep things simple, this is the only keyword you are bidding on and you only have one ad. So Google's algorithm will determine (based on a number of factors that include the previous performance of your ads and the performance of your competitor's ads) that on average your ad is clicked on five times for every one hundred times it is shown. Or, in the terminology you're beginning to familiarise yourself with,

## Google AdWords that work

your ad gets a click-through rate of 5%. Therefore, over the course of a day if your ad is served to 2,000 users then at a CTR of 5% you can expect 100 of them to click through to your site. Now, your own website stats should be able to tell you what your conversion ratio is (i.e. the number of visitors to your website against the number who complete a purchase). Let's say you enjoy a conversion of 5% (i.e. for every one hundred visitors to your site, five of them purchase something). Let's also say that the average spend on your site is \$25. You can quickly assess that your AdWords campaign cost you \$10 for that day and resulted in sales of \$125. If this were your business you'd be pretty happy with that return on investment and would probably look to double your AdWords spend to see if the trend in sales also doubled. Likewise, if you found that your budget of \$10 was resulting in only one or even no sales, you'd quickly want to alter your ad and/or your destination URL. Otherwise you'd find yourself quickly out of pocket.

The hardest thing to decide about your daily budget is what figure to put on it. There is no 'one size fits all' answer. On one hand, you don't want to over-commit cash on unproven ads for keywords you have not worked with before. If the ads are getting click-throughs

but those click-throughs aren't converting into customers then you're going to be getting through your daily budget quickly with little or no reward. Conversely, if you don't invest enough, especially in the first weeks and months, your ads may not be served up enough to give you a clear indication of what the interest is, or if your ads are working.

Thankfully, Google will suggest, based on the keywords you have selected, a recommended daily budget. This figure may be tonnes higher than you are prepared to spend; it might be only slightly higher; or it might even be lower than the figure you had in mind. The important thing, certainly for the initial two weeks when you are building up your data, is to try to spend as close to the recommended budget as you can. This figure really isn't Google trying to exploit your account for all it is worth; it's based on an algorithm of what activity has been like for ads using those keywords in the past. Google will have a good idea of your potential CTR and the budget will reflect a realistic amount of click-throughs so that both you and Google can benefit from a long and fruitful relationship. It could be that after two weeks you feel the budget needs to be reduced or increased – at least after two

weeks you have some real data to help you make that decision, as opposed to just making an educated guess.

### Delivery method

This determines at which time and frequency over a 24-hour period your ad is shown. If you're starting a campaign for the first time, choose 'Standard', unless you have a good reason otherwise.

- **Standard: show ads evenly over time** – the default setting. Google will determine, based on your daily budget, how often it needs to show your ad for there to be enough clicks to reach your daily budget. This is not an exact science and therefore you might not receive enough clicks that day to exhaust your budget. However, your ad will be shown throughout the entire 24-hour period, thus giving users the opportunity to see your ad whether they are searching Google during the day or night.
- **Accelerated: show ads as quickly as possible** – choose this option if you are determined to spend your budget each day. Google will display your ad more often, with the intention that the budget is fully utilised. Once the daily budget has been

exhausted, the ad will be removed until the next day. There is no guarantee that the budget will be spent because, of course, users have to click on the ad for the charge to be made.

Some folk prefer to use Standard as it gives the ad a fair chance of catching users throughout any given day. On the other hand, a number of heavy AdWords advertisers always start new campaigns with Accelerated – their thinking being that they will get essential performance data about their ads quicker. If they have chosen Accelerated and they're not getting through their budget, then they know that there's something wrong with the ad message and will immediately make changes. Conversely, if their budget is being used up within a couple of hours, then they're not getting any more impressions for the rest of the day. This, after checking that those users that have clicked through have become prospects by signing up for something or customers by buying something, quickly points to the need to increase the daily budget to get more users. Similarly, if the users are all coming through fast and furious but not becoming prospects or customers, then both the ad and the destination webpage need to be looked at and optimised.

### Target audiences

**Languages:** This is simply a way to tell Google which language(s) your ads are written in and therefore who best to serve them to. It really is a waste of time to have a campaign entirely in English and then select Russian even if you are selling Russian products or products that are of interest to Russian speakers. Use Locations to determine which country the ad is served to; Languages is for languages.

**Locations:** This is the country in which your potential customer lives. Now, we're guessing most of you reading this book will want to choose Australia as a geographic location to begin with, so in this case your ad will be shown to users who search [www.google.com.au](http://www.google.com.au). If you add New Zealand as a location, then the ad will also be served to users searching on [www.google.co.nz](http://www.google.co.nz) and so on. Obviously as marketers and optimists we think people in every country around the world want to buy our products or benefit from our services, but you'll be wasting time and money serving your ads to the wrong sort of user. Although impressions don't cost you anything per se, they do have an effect on the

performance of your ad in terms of your click-through rate and therefore your ad's viability and longevity.

When running a company called Toytopia, Jon was convinced there were thousands of British ex-pats living in Spain who would love to buy gifts for their loved ones back in the UK through a UK-based website and so he started an AdWords campaign that focused on the location of Spain with the ads written in English. It didn't work. Instead he focused his efforts solely on the UK and Ireland and later, once the site was translated into Spanish, he added Spain as a location again (along with an .es micro-site tailored to the ex-pats) and this time it did work.

Don't try to scattergun your marketing – keep it limited to your core audience and expand once you've proven your campaign works in one or a handful of locations.

### **Keyword bidding**

The most important factor in this relationship for both you and Google, is the money. Google wants to maximise its revenue, and you want to keep your campaign costs to a minimum. Google plays it

## Google AdWords that work

pretty fair – the cost of your campaign basically comes down to supply and demand on the keywords you are interested in. If a keyword is really niche and only a few other advertisers are bidding on that keyword, you're going to be enjoying a low cost per click. If, however, there are already a lot of other advertisers all wanting to attract clicks for the same keyword, then your Google AdWords campaign is going to be a whole lot more expensive. For example, bidding for the keyword 'Bullaburra' (a small village in the Blue Mountains) is likely to be 10 cents or so per click (depending on your CTR and the quality of your landing page), but bidding for 'Blue Mountains' or 'Three Sisters' can set you back a couple of dollars per click. Google gives you the tools to experiment with your pricing and, with the daily or monthly cap on spending, your campaign can't get out of control.

In some situations, heavy spending on keywords can be justified. You might be a specialist software reseller and your keyword might be costing \$10 per click, but if you are making \$2,000 per sale it's a reasonable cost.

***Manual (or Maximum) bidding*** is the most common choice when it comes to keyword bidding, as it gives you the most control

over your bidding, especially if you have numerous campaigns or groups that you want to work in different ways (i.e. an ad Group that you are deliberately bidding low on to test the waters, or because you find you get a better CTR when displayed at position 3 or 4, rather than position 1). It is important to note that the amount you enter as your bid is the *most* you are willing to pay per click and not necessarily what you will pay – that will depend on what other advertisers are paying and the performance of your ads. Only bid what you can afford!

***Cost per acquisition bid*** is a handy little feature that was introduced recently to complement Google's 'Conversion Optimiser' tool. If you grant access to Google to monitor your users' behaviour from click-through to (hopefully) purchase or sign up, then this style of bidding may appeal. The idea is that you bid how much you are willing to pay for a conversion as opposed to a click-through.

Generally, the cost per acquisition bidding will start a lot higher than the cost per click, but this is an all-encompassing fee that allows for impressions with no clicks and clicks with no purchase,

## Google AdWords that work

and it boils down to what you are willing to pay for a new customer. Again the amount you bid is the *maximum* you are willing to pay for the acquisition.

Please note that to utilise this bidding option you must have already signed up to Conversion Optimiser and (at time of writing) enjoyed at least 100 conversions within the past 30 days.

***Budget Optimiser (AdWords-lite)*** is certainly the option to choose if you're already feeling bamboozled with the array of choices and decisions you need to make in terms of setting up and running an AdWords campaign. With Budget Optimiser you decide on a monthly budget, sit back and relax ... Google will then optimise the display of all of your ads to try to get your budget spent on clicks. It works fine if your only goal is to maximise the number of clicks you receive in any given month, but it leaves you with very little control. In fairness you will spend your budget and you will get traffic. At first glance, that might seem quite attractive, but you will lose the ability to specify the times your ads are shown, which may affect your conversion rate and your preferences over the position in which your ad is displayed, which in turn will affect your cost per click.

***Preferred Cost Bidding:*** If you are looking for a bit more control over your ad spend while still maintaining control over your ad's timing, then Preferred Cost Bidding allows you to more closely dictate how much your average cost per click will be, as opposed to setting a maximum bid and then waiting for Google to tell you what your average cost per click turned out to be.

Preferred cost bidding works best once you actually have an AdWords history – i.e. if over the past few months your ads have performed better when you've been paying an average price of say \$0.65, then you might want to stipulate this as your preferred bid. If, however, you are new to AdWords, then the flexibility of stipulating a maximum bid will return far more useful data in terms of best position, best time of day and more flexibility to compete with competitors who may be altering their bid prices daily or weekly.

### **Keeping the focus narrow**

We can't stress enough how good management of your AdWords campaign will pay off in the end. This starts with how you structure/name your ads and filters down to the amount and detail

## Google AdWords that work

of the keywords you are bidding on. One advert will simply not be sufficient to cover the aims, goals and desires for every user searching for all of those keywords – their interest is too broad and the ad will fail – either because it's too vague to entice users to click through, or too many users click through but don't then do anything on your site, thus costing you a tremendous amount of cash for no return.

It is far better to have a single ad completely tailored for one keyword, and thus have a portfolio of fifty ads running to cover your keyword range, than to pin your hopes and the success of your AdWords campaign on the back of a couple of generic 'they'll do' crowd-pleasers.

It does take time to set up numerous ads, and it does take time to monitor their performance and continue to test and tweak them to improve that performance, but it's time well spent and can be the difference between e-business success and abject failure.

**Position Preference:** On first appearance, this might seem to be a somewhat strange option. In everything we do, and especially when that something has anything whatsoever to do with the words *Google*, *ranking* or *position*, we all crave for the top spot. To be

number 1 seems to be king, the alpha, a reason to live! And yet Google offer advertisers the opportunity to shun this coveted position – to actually express a preference for something lower. ‘Why?’ you may ask. Well, there is a school of thought that maintains that the top spot or even the top three spots aren’t the be-all and end-all. Months of stats regarding previous and existing ad campaigns can indeed show that some ads, for some keywords, in some industries, actually do markedly better in terms of CTR, price and users’ action once they’ve clicked through in, say, positions 4, 5 or 6, or even position 10. It’s strange, but true.

It could be that Google users are more switched on than many advertisers give them credit for – they know what AdWords are and even how they work, and therefore deliberately do not choose to go with the advertiser who is perceived to be bidding the most money per click. Just out of defiance, the users will actually seek out an ad lower down the list and click there instead. There is also a case for saying that some users will deliberately ignore the ads placed by Google above the natural search results – perceiving these ads to be sponsored, they are therefore unwilling to click.

## **Google AdWords that work**

Another possibility is that users do not see these ads at all because they blend into the search results, meaning that they are in fact more likely to click on the ads served on the right-hand side of the page – and if the users click on the top AdWord on the right, that is in fact ad number 3 or 4. For this reason, and because Google will only show two or three ads at the top of the search results, by deliberately opting for a preference of position 3 or 4, you might enjoy a better CTR than the ads served in position 1 or 2.

The jury's out on this, and what works for one business may or may not work for you, but what is clear is that it works enough for Google to offer you the chance to choose a position preference should you want to. Review your ads and experiment with positioning to see what works for you – all of the information is there for you to make an informed decision both before and after any change to your ad and you'll quickly know whether it's working for you or not.

### **Don't get carried away**

Someone, somewhere will always have a bigger pot of cash than you. That's life; get over it. You might find that the particular keywords you are interested in are already hotly contested and bid

prices are high. Don't despair – the number 1 AdWord position is not the only position that means success.

Although it's difficult to concede defeat, you may only be able to afford to be at position 5 or 6. Even so, it's still worth entering the race. If you get your ad right and impress Google with a commanding CTR, you will rise up the rankings without having to spend any more money – and possibly by spending less money.

When you're first deciding how much you are willing to bid on a keyword, you would be wise to see what the recommended bid value is. However, this is your campaign so it is fundamentally your choice. Make a decision based on what you can afford, and pay attention to the CTR and how those users convert into customers on your site – it could be that you actually make more money for your business with an ad placed at position 6, 7, 8, etc., than when you've broken the bank to be number 1.

### Case Study

It's more serendipity than anything else, but it so happens that at the time of writing this book Veechi is about to launch her revamped website, providing support for accounting software and selling her books related to MYOB, Quick Books and small business. The website is [www.veechicurtis.com.au](http://www.veechicurtis.com.au) and it will be a useful exercise to look at examples of what works and what doesn't through the lens of a live and current AdWords campaign.

So, a few weeks before launch, we're ready to take a look at the current market and begin to make plans about how to tackle this AdWords campaign. Of course, the entire online landscape can change (both positively and negatively) in a short time span, so you don't want to leave too long between setting up your Adwords campaign and launching your website.

The first thing to do is get a feel for the market. There are a number of keywords Veechi intends to bid on (more of this in chapter 3) but for now let's take a look at her MYOB books,

QuickBooks books and small business books, which are the main products sold online.

Looking at the results shown in Figure 1, it's quite clear that Veechi isn't the only player in the market and certainly isn't the only one who is interested in AdWords. Fear not, competition is healthy and to see so many other companies all trying to capture the same market gives an indication that AdWords works for this industry – if it didn't, do you really think so many companies would continue to pay for a service with little or no return? Yes, it's going to cost a bit more per click, but that can be factored into the pricing model. Let's get started.

### **Defining campaigns and ad groups**

The ultimate success of your relationship with Google depends on the performance of your ad campaign, and, therefore, as you're going to be checking data relating to your campaign a lot over the coming weeks and months, it makes sense to structure your

## Google AdWords that work

The image shows a screenshot of a Google search results page. At the top, the Google logo is visible with the text "Search by Google" and "Google AdWords". Below the logo, there are several search results listed. The first result is titled "Google AdWords that work" and includes a snippet of text. The second result is titled "Google AdWords that work" and includes a snippet of text. The third result is titled "Google AdWords that work" and includes a snippet of text. The fourth result is titled "Google AdWords that work" and includes a snippet of text. The fifth result is titled "Google AdWords that work" and includes a snippet of text. The sixth result is titled "Google AdWords that work" and includes a snippet of text. The seventh result is titled "Google AdWords that work" and includes a snippet of text. The eighth result is titled "Google AdWords that work" and includes a snippet of text. The ninth result is titled "Google AdWords that work" and includes a snippet of text. The tenth result is titled "Google AdWords that work" and includes a snippet of text. The page also shows navigation links like "Home", "Maps", "Books", "Images", "Videos", and "More".

## 2 · Defining your strategy



**Figure 1** The keyword 'MYOB books' is quite popular with advertisers – ads are being displayed on the right-hand side of the page but not the top. Chances are competition is hot for this keyword, but not fierce.

## Google AdWords that work



## 2 · Defining your strategy



**Figure 2** The keyword ‘Small Business For Dummies’ isn’t popular at all with advertisers – only two ads in total come up. Competition for this keyword is minor.

## Google AdWords that work

campaign in a logical way. This structure should not just be a way that makes sense to you; it must be in a form that can be explained with ease to a colleague.

Your first major decision therefore is to define a structure that is going to work for you now and that is also scalable. What's best: create a new *campaign* or a new *ad group*?

Well, the important thing to remember here is the different settings relating to these two choices. Campaigns have 'macro'-level settings – your target language/s, geographic locations, distribution preferences, start and end dates and, of course, a daily budget. You can create up to twenty-five campaigns. Ad groups have 'micro'-level settings – your list of keywords, destination URLs, maximum CPC and, of course, the ads themselves. There is a maximum level of one hundred ad groups within a single campaign.

So what dictates whether a campaign or an ad group is required? It's up to you. What we would say is that to get big, you need to think big and therefore plan for the future and look at everything at campaign level rather than ad group level. For Veechi's site she

has three campaigns, one for MYOB titles, one for her QuickBooks titles and one for her small business books. The three sides of the business are different cost centres – they bring in different amounts of revenue – and therefore they have separate and very different daily budgets.

With Jon's Toytopia business, selling wooden toys online, each 'product type' had its own campaign. Jon had a distinct campaign for clothing and within that campaign were several ad groups, such as t-shirts, shoes, bibs, etc. Similarly, with the toys, 'push-along toys' had its own campaign, as did 'plush toys'.

Certainly, use separate campaigns if there is a different head of department for each section of your business. Also, use multiple campaigns if multiple users have access to your company's Google account – the last thing you want is for your campaign performance to suffer because of a colleague's failings!

Setting up more campaigns than you need is not a tremendous problem – after all it's just an extra click of the mouse to drop down to ad group level – but not setting up enough campaigns can

prove awkward in the future. Managing your campaigns and ad groups is straightforward if you make it manageable from the start. You will probably need to make alterations as time progresses so it is important to think through how things might evolve.

### **The basic campaign**

To get started as quickly as possible, you need to have a campaign that is easy to measure in terms of effectiveness and not too demanding on your bank account. A common mistake is to want to serve your ad around the world, but if you sell garden gnomes and your website is priced in Aussie dollars, it's unlikely that you're going to have many customers in Asia or South America. Also, if your website is written in English, there's little point paying for an advert that will display to Japanese users ...

There are, of course, exceptions to the rule, and you'll know who and where your market is. But, for now, start small and grow into territories rather than trying to use a scattergun approach and hoping that something will stick. If you can't do a good job in your own back yard, you're going to be hard pushed to break into the rest of world. Once you've proven that your AdWords campaign

works in the Australian market, feel free to spread your wings further afield ... but not until then!

Our example starts with just three adverts, all with slightly different messages. The target countries are Australia and New Zealand and, so as not to alienate readers, Veechi will be using a modest budget of \$10.00 per day (or about \$300 per month) to get her AdWords campaign underway. Veechi's site is a few weeks away from launch, but she wants her ads to be ready to go. The moment the site goes live, she'll give Google her payment details and the ads will be served (see Figures 3, 4, 5 and 6) ...

The differences between the ads are very slight but it's these subtleties of language and change of focus that can make or break an AdWords campaign. Veechi's research into the accounting software market confirmed that people aren't just looking to buy a book, but they're looking for advice and help also.. So, to compete effectively, it's clear Veechi needs to offer more than just books, which she's done in her ads.

## Google AdWords that work



Campaign Management

Reports

Analytics

My Account

Account Structure | Campaign Summary | Tools | Conversion Tracking | Website Optimizer

Campaign Summary > Campaign MB

Campaign: Campaign MB - Active | [Pause campaign](#) | [Delete campaign](#)

Budget: [400.00 / day](#) | [Edit campaign settings](#) | [Opportunities for improvement](#)

Targeting: 1 language [Edit](#) | 1 location [Edit](#)

No campaign negative keywords: [Add](#) | No site or category exclusions: [Add](#)

\*New status \* View all ad groups

Ad Group Name	Status	Current bids - Max CPC		Clicks	Imps.	CTR
		Default	Content			
▶ MyOB.Dresses	Active	\$0.40	-	83	1,081	5.71%
▶ MyOB.Pajama	Active	\$0.60	-	34	710	4.52%
▶ MyOB.Books	Active	\$0.30	-	5	50	8.02%
Total - 3 active Ad Groups	-	-	-	83	1,469	5.62%
Total - all 5 Ad Groups	-	-	-	83	1,469	5.62%

## 2 · Defining your strategy

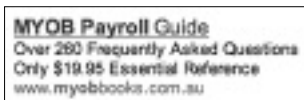


The screenshot shows a web interface for managing advertising campaigns. At the top, there are navigation links: "Home", "Analytics", "Help", "Contact Us", and "Sign Out". Below this is a search bar labeled "Search my Campaigns" with a "Search" button. The main content area displays "1 - 3 of 3 Ad Groups". There are filters for "Type" (set to "Video"), "Start" date (12 Feb 2008), and "End" date (17 Feb 2008). A "Show only active ad groups" filter is also present. The table below lists three ad groups with columns for Avg. CPC, Avg. CPM, Cost, and Avg. Pm.

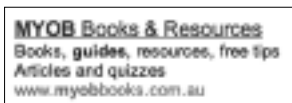
	Avg. CPC	Avg. CPM	Cost	Avg. Pm
	\$8.24	\$17.72	\$19.33	3.6
	\$8.36	\$18.42	\$6.08	3.4
	\$8.25	\$21.30	\$1.24	3.1
	\$8.24	\$17.58	\$25.88	3.5
	\$8.24	\$17.58	\$25.88	3.5

**Figure 3** Veechi's campaign for her MYOB books has just three adverts (Figures 4, 5 and 6), they will only be displayed in Australia and New Zealand and her entire budget is capped at \$10.00 per day

## Google AdWords that work



**Figure 4** Advert 1: This is Veechi's payroll ad, focusing on businesses needing help with payroll.



**Figure 5** Advert 2: This is Veechi's generic ad, mentioning books, ads and quizzes.



**Figure 6** Advert 3: This is a specific ad focusing on one particular title only.

With any new campaign and early Adwords ventures, it's best to start small and build up your campaign rather than trying to be all things to all people and spending a small fortune on an ineffective – or, worse, inconclusive – campaign. Data from your early weeks will quickly confirm what keywords are working for you, and more importantly what *negative* keywords you need to employ to improve your CTR (see page 69 for more on this). Start off too big, with an unmanageable list of keywords, and you'll become swamped and confused; inevitably the campaign will be both expensive and a failure.

### **Reinventing the wheel?**

Testing and rewriting is critical to a successful AdWords campaign – keep an eye on not just your own ads, but the ads and the activity of your competitors. While this book (or in fact any book) can't tell you how to write the perfect ad for your business, in a strange way, your competitors can. Start with the basics – type in one of the keywords you are bidding on already, or intend to bid on, and pay attention to the results. This test can be repeated as often as you like: Maybe try once every two hours, to allow for any competitor's special settings to show themselves, such as accelerated delivery, or a limited daily spend coming into effect. What you will notice is either the same ad (or a range of ads from the same business) coming up top, or you'll notice a real eclectic mix of ads all changing position with each search. Over a number of days, and especially over the coming weeks, a pattern will emerge. If there is a consistent ad or a selection of consistent ads always in the top spots then it's pretty safe to assume that these ads are working for the advertiser. Learn from them, emulate, and ultimately improve on them.

## **Google AdWords that work**

Watching competitors in this way isn't cheating, rather – it's competitor analysis. What phrases are they using? What aspects of their ad can you incorporate into yours? What your competitors are doing should form the basis of your own campaign. This becomes your opening gambit and then the real testing begins as you begin to incorporate small alterations that will hopefully become improvements resulting in a greater CTR and, hopefully, a lower bid price.

One more thing, be sure to empty your cache and/or temporary Internet files before any test. Otherwise, you run the risk of seeing a cached version of the Google search results page.

### **Ad position**

Every industry is different and every keyword is different, but chances are there are at least a few competitors running AdWord campaigns for the same keywords as you. A bit of competition is healthy, and should even be encouraged. However, where it gets messy is if there are more than ten advertisers because there are only ten positions for AdWord ads on any search results page. Therefore, if your ad is positioned at number 11 or beyond, it's not

being displayed on the first page of those results and that's not of much value to you. It's certainly true that some users will click through to page 2 and beyond to find what they are looking for, but their focus at this stage will very much be on the organic or natural listings and they will probably be searching for something very specific – so your ad isn't going to work effectively.

Now it could be that you're happy with the cheap bid price and the very occasional click-through – but, don't forget, if the CTR drops too low or never picks up, then Google is going to ignore the ad, so it's of little use being in that position. If you can't afford to be in the top 10 ad positions, then kill the ad and look at investing the cash in more niche keywords in which you can compete.

### **Number 1 isn't everything**

Remember: as hard as it might be to believe, the number 1 spot isn't always the best. Later on in the book we'll see how being number 3 or 4 can actually produce a far higher ROI for your business, but for now just be careful not to get sucked into a bidding war with another advertiser because you both want to be

## Google AdWords that work

number 1. It happens easily – either you come along and decide to oust the current incumbent by bidding higher, and they respond ... or you are enjoying the top spot and a young pretender comes along and outbids you ... before long, you both increase your bids, which results in counter-bid after counter-bid. Now that war has broken out, the two advertisers fighting for the top spot are paying an average price per click of \$3 or \$4 plus, yet the bidding for position 3 remains at a modest \$0.45. The advertiser is still getting click-throughs at position 3 and we can guess those click-throughs are converting to customers on the site. So, while you two monkeys are having a private spat over the number 1 spot, the price per new customer is far higher than you should be paying.

Only Google wins when there's a bidding war. Set yourself a limit – a percentage amount you are willing to rise up to from your initial bid – and stick to it. Once there's somebody out there who's willing to keep on upping the ante, back away. Positions 3, 4 and 7 are just as viable and can be just as profitable.

### **A word of warning**

*Click fraud happens.* Now, the good news is that Google has tools in place to detect an obvious attempt by a single IP address (read: a nefarious individual, probably a competitor) to click on your ad multiple times, which would ordinarily cost you a lot of money. Where click fraud is detected you will be refunded, but it's still in your interest to monitor your log files for IP addresses on click-throughs and to notice any suspicious activity. Low-level fraud will get through, undetected, and it will be costing you money, but there's not a tremendous amount you can do about it. No doubt when you were researching your keywords you clicked on some ads to see what lay at the destination URL, and in turn competitors will do the same to you. During the process of writing this book we've clicked on thousands of ads with absolutely no intention of buying anything from the advertisers.

It's frustrating, and it's expensive (very, if you happen to be in an industry where clicks for your keywords are several dollars each). But, please, don't be tempted to exacerbate the problem by becoming trigger-happy yourself. It's not big, it's not clever, and it

## Google AdWords that work

doesn't impress the girls. Let's face it, it wouldn't take much for Google to marry up the IP address of your AdWords account with a problem IP address for one of your competitors ... at best, your campaign will be shut down instantaneously and your website removed from the Google index; at worst, you could be on the receiving end of a lawsuit.

