Topic 5 Paid Search Marketing

Chapter Objectives

Identify the various types of search engine advertisements and their parts.

Analyze the **effectiveness** of an existing search engine advertising campaign.

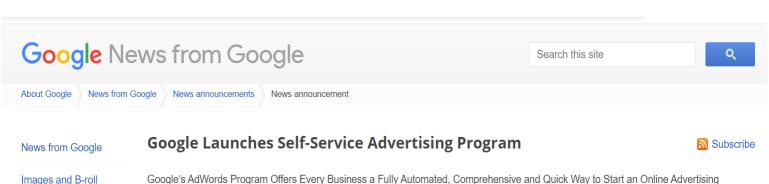
Determine ways to **improve an ad's position** without increasing the bid amount.

Create a **categorized list of keywords** on which to advertise on a search engine.

PPC



Money Machine for Google



Blogs and Social Media

Google's AdWords Program Offers Every Business a Fully Automated, Comprehensive and Quick Way to Start an Online Advertising Campaign

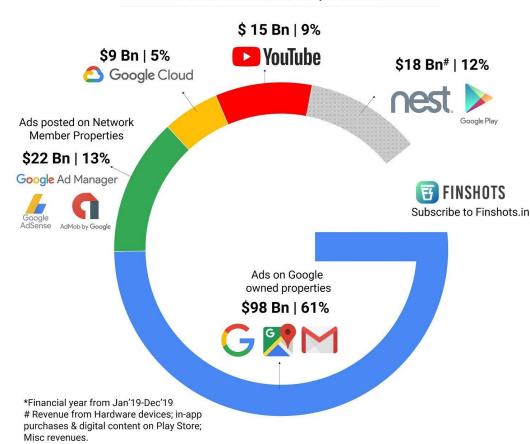
MOUNTAIN VIEW, Calif. – October 23, 2000 – Google Inc., developer of the award-winning Google search engine, today announced the immediate availability of AdWords(TM), a new program that enables any advertiser to purchase individualized and affordable keyword advertising that appears instantly on the google.com search results page. The AdWords program is an extension of Google's premium sponsorship program announced in August. The expanded service is available on Google's homepage or at the AdWords link at adwords.google.com, where users will find all the necessary design and reporting tools to get an online advertising campaign started.

Since the beta debut of AdWords earlier this month, the program has seen widespread adoption by approximately 350 businesses and advertising agencies worldwide. The AdWords program offers advertisers the same highly targeted ad serving technology as the premium sponsorship program, and through a simple to use self-service system, enables advertisers to sign up and monitor a campaign directly from the Google website.

Casala haa aarafiilli, hiilt and aaalad tha AdNarda nearran ta addraaa tha naada af ani, hiisinaa hii neaiidine a ana atan raaairaa that ii

BREAKING DOWN REVENUE STREAMS OF GOOGLE (ALPHABET)

Total Revenues: \$162 Bn



So Big!

Search Engines Advertising

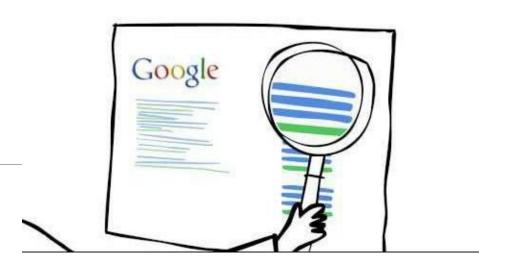
- > "Fastest way to generate traffic
 - Be careful!
 - Also might be the fastest way to burn money!
- Easy to Segment
- ➤ Easy to Measure/Track
- > Easy to Test
- Easy to Scale"

Acronyms you should know

- "PPC: Pay Per Click"
- Max CPC: maximum amount of (cost per click)
- CPM: Cost Per Mille (cost per thousand impressions)
- > CPA: Cost Per Action (e.g., conversion)
- Keywords (kw): words that describe your ad
- Impressions: number of ads views
- CTR (Click Through Rate): number of ads clicks
- CR (Conversion Rate): percentage of clicks that resulted in a purchase
- Bounce Rate: percentage of page visitors who left the website after viewing one page only"

Google Ads

- "Two main networks:
 - Search (Topic 5)
 - Display (Topic 6)
 - > Search
 - Google
 - Partner
 - Display
 - Google's Owned (Youtube Gmail)
 - Sites included to Google Network"





Recent Development

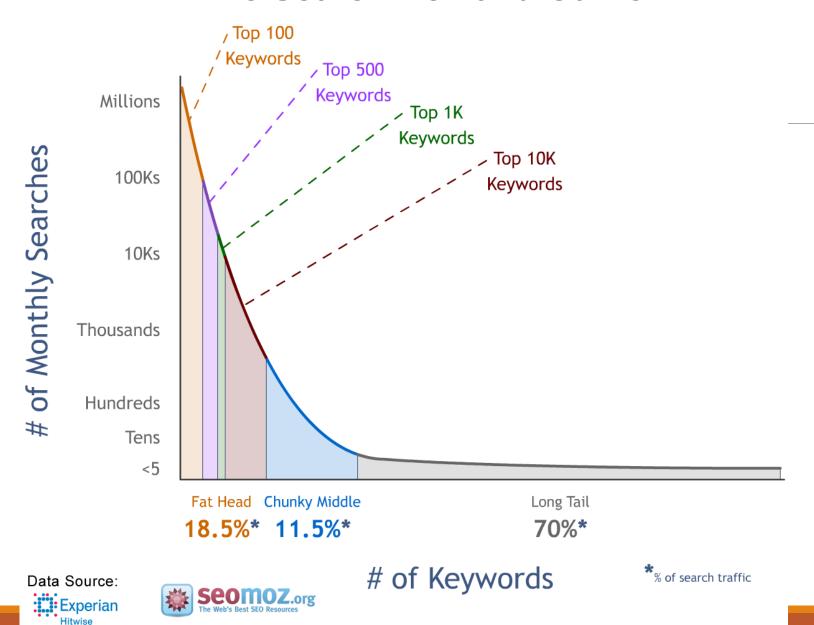




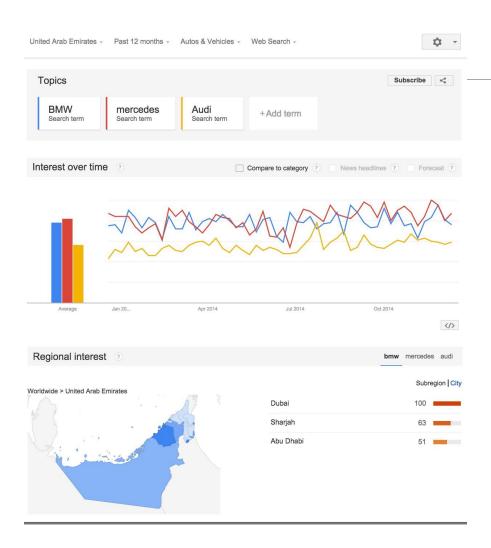
Keyword Research

- "Sometimes it is hard to begin
 - Do you know what your target audience is looking /searching for?
 - Howmuch budget required to start?
 - Is search volume enough to start my campaigns?
- Kw research is a process of identification for the potential search volume, competition and trends for a specific KW / group of KWs in a given geography and given language.
- The Kw research tool can be reached within your Google Ads Account"

The Search Demand Curve



Google Trends

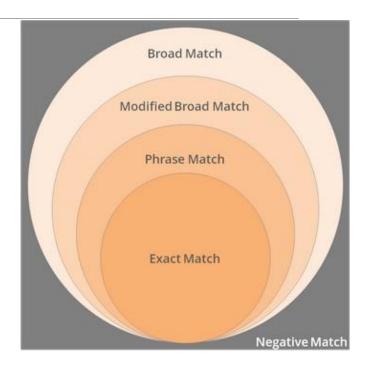


"Compare search volume pattern and trends

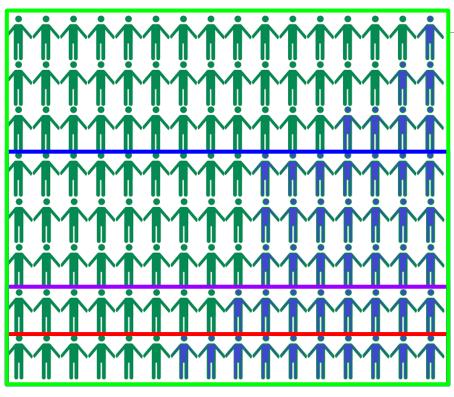
- Regional, for a selected time period
- Identify Peak and Low Volume Seasons
- Identify relevant high volume searches
- Identify relevant rising (popular) searches"

5 Keyword match types

- "Broad Match
 - Keyword
 - Includes misspellings, synonyms, related searches, and other relevant variations
- Broad Modifier Match (Modified)
 - +Keyword
 - Contains the modified term (or close variations, but not synonyms), in any order
- Phrase Match
 - "Keyword"
 - are a phrase, and close variations of that phrase
- Exact Match
 - [Keyword]
 - are an exact term and close variations of that exact term
- Negative Keywords
 - Can be any of the above match types, and are used to exclude certain words/phrases you don't want to drive traffic from"



Keyword Selection

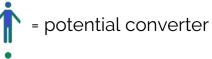


wakeboards for sale

+wakeboards for +sale (most popular)

"wakeboards for sale"

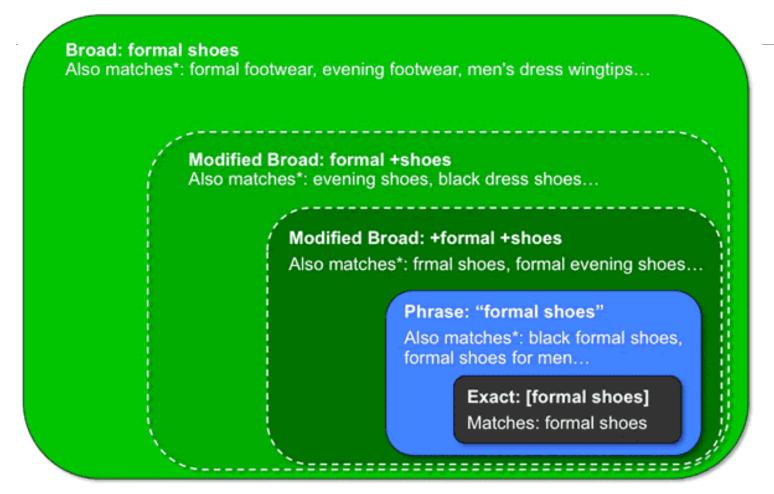
[wakeboards for sale]





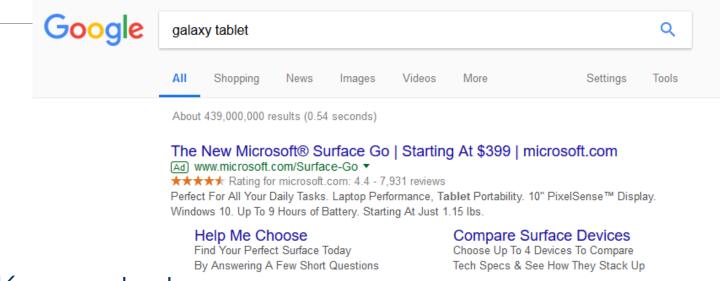
The proportion of non-converters in any given search typically exceeds 80% (i.e., the conversion rate on even the best searches is usually under 10% and virtually always under 20%).

Keyword Match Types



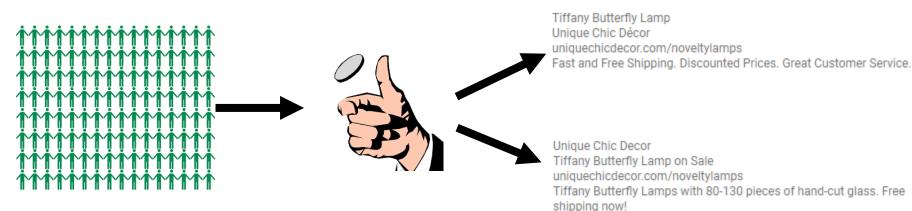
^{*}In each ring, the keyword shown also matches the searches inside the smaller rings. Illustrative - figure not drawn to scale.

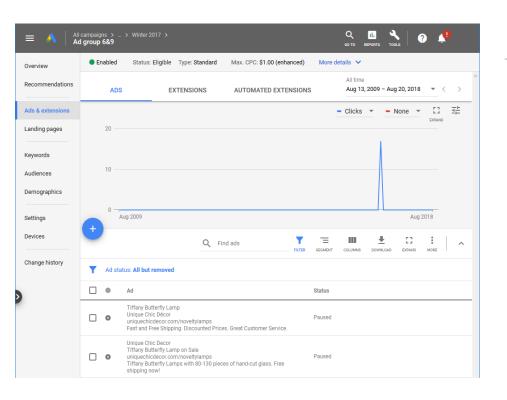
Ad Copy



- Keyword relevance
- Enticing and unique value proposition (UVP)
- Obvious call to action
- Number of headings
- Ad extensions

A/B Testing Ad Copy

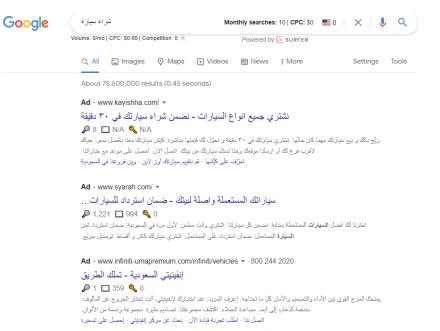


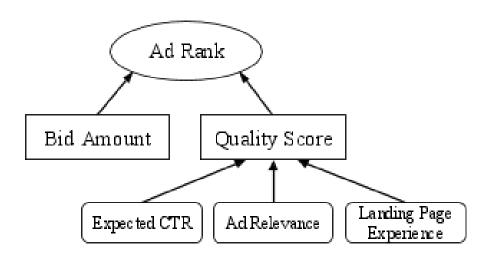


A/B Testing Ad Copy

A/B testing is simple in principle but can be a bit more difficult in practice. Doing an A/B test of a landing page, for example, requires creating a second landing page, ensuring conversion tracking is working properly, and so forth (which is actually not that difficult with Google Optimize, but requires a little bit of know-how). A/B testing of ad copy using Google Otimize is easy. All it requires is creating a second ad, which can be done by clicking on the blue plus button and filling in the ad copy.

Achieving High Ad Rank





Achieving High Ad Rank

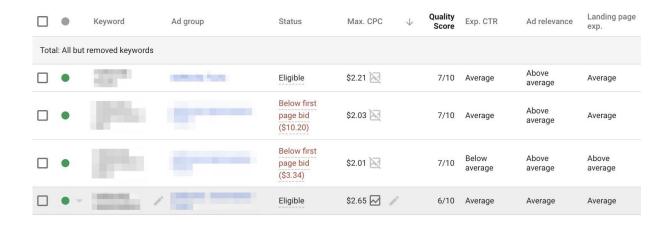
Expected CTR. Google wants the CTR to be as high as possible, because that's how it earns money, so if we earn a high CTR, we will be rewarded with better ad placement. We can improve CTR by writing good ad copy and by continually running A/B tests to keep improving CTR. Another technique that many search marketers use is called "bid popping." At the start of a new campaign, keep bid amounts higher than you will have them in steady state. Even though this will cost the advertiser some money, it will earn a high CTR (because of the high ad rank it earns), which gives the advertiser a high expected CTR.

Ad Relevance. Ad relevance is primarily measured by the keywords found in the ad. This means that (1) advertisers should incorporate keywords into the ad copy when possible and (2) **ad groups** should be organized around a small number of keywords (5–10) so that the ad relevance remains as high as possible for as many keywords as possible.

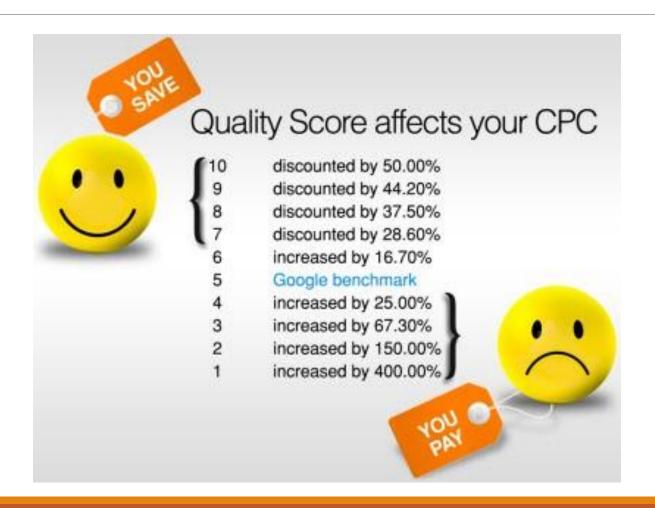
Landing Page Experience. Employing the principles of good web design found in Topic 2 of the text should create a good landing page experience, which will decrease bounces. But search marketers should also remember to incorporate keywords into the landing page and also to create a different landing page for each ad group to make sure the landing page matches the searchers' intent.

Quality Score

A good digital marketer will say that a Quality Score under 8/10 for any keyword is unacceptable and should be fixed.



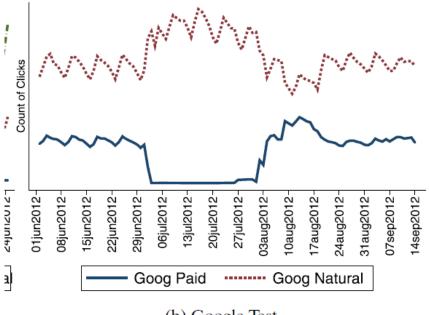
Correlation between CPCs and QS



Optimal Paid Search Rank

	Google	social media marketing agency	Q
		All News Images Videos Maps More Settings T	ools
		About 227,000,000 results (0.93 seconds)	
CTR: 20%	CPC: \$10	Social Media Marketing Top-Rated Full Service Agency Ad www.quickmarketing.com/social-media/marketing ▼ Leverage Social Media to Grow your Business and get more Customers! Quick Setup. Instagram.	
CTR: 14%	CPC: \$7	Hometown Media & Advertising Results Driven Marketing Ad www.hometownadvertising.com/ ▼ (801) 658-3013 Direct Mail- Digital Marketing -SEO-Social Media-Website Development & more. Television Marketing. Online Marketing. Brand Promotion Marketing. Consultation. Social Media Marketin Business to Business. Voice Actor. Marketing Strategist.	ıg.
CTR: 10%	CPC: \$5	Human-Centered Social Media Award-Winning Social Campaigns Ad www.neboagency.com/Social/Media ▼ Our Campaigns Do More Than Drive Awareness, They Change Behavior. Learn Why. Proven results.	
CPC: 7%	CPC: \$4	Social Media Marketing Denver We Create & Manage Campaigns Ad www.v9digital.com/Social_Media ▼ We help Colorado Businesses Strategize & Manage Quality Content for Social Media. Monitor you results. Increase your reach. Engage your community. Grow your brand. No long term contracts. Typ Social Media, Digital Marketing, Content Optimization, Blog Writing, Web Analytics.	

EFFECTIVENESS



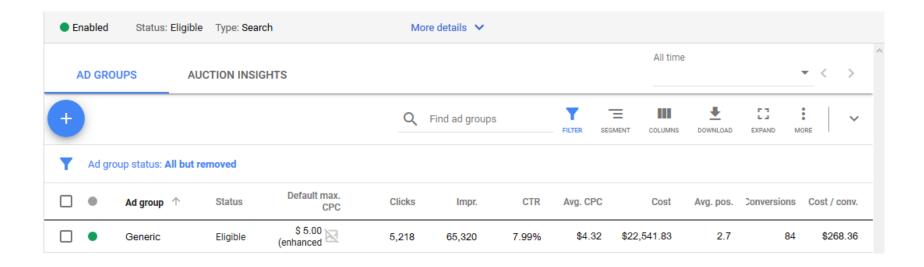
(b) Google Test

Branded Keywords

The textbook discussed an experiment that tested the effectiveness of search ads on branded keywords (which found that shutting off ads on keywords that included *ebay* did not decrease traffic, because all of those searchers clicked on the organic results instead). This above graphic comes directly from that paper, which graphically depicts the experiment results. On the left, on Microsoft's search network, when paid ads were turned off, a corresponding increase in organic search volume occurs. On the right, on Google, the organic volume goes up when paid ads are turned off, and organic volume drops when paid ads are turned back on.

The authors did some more sophisticated measurement of search volume and the results of their experiment, and they found that by not employing search ads, ebay lost only .529% of traffic, meaning they retained 99.5% of traffic.

Generic-to-Brand Spillover



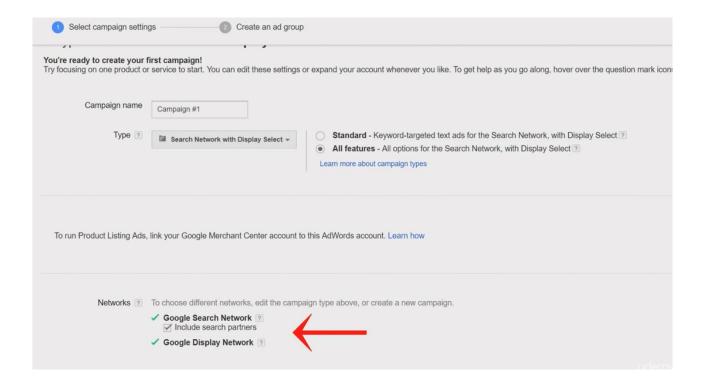
The 5,218 clicks on the Hilton ad only produced 84 hotel bookings. But could the remaining 5,134 clicks generated a profit somehow? **80**%

Capturing Lost Conversions

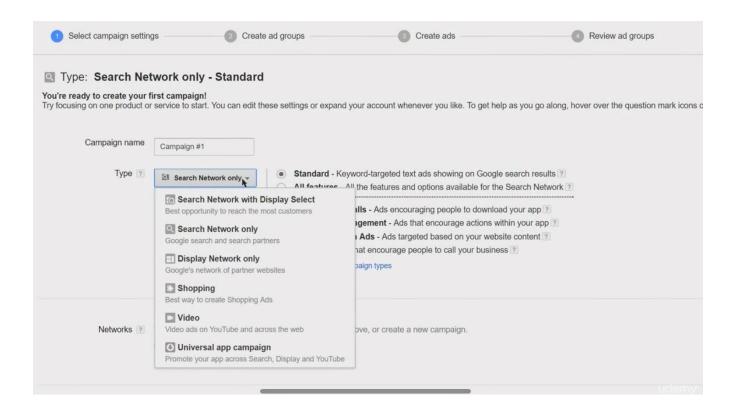
Non-converters:

- Did not like what they saw IMPROVE
- Were not likely to convert anyway –
 DO NOTHING
- Were not ready to convert (but may be ready in the future) REMARKETING

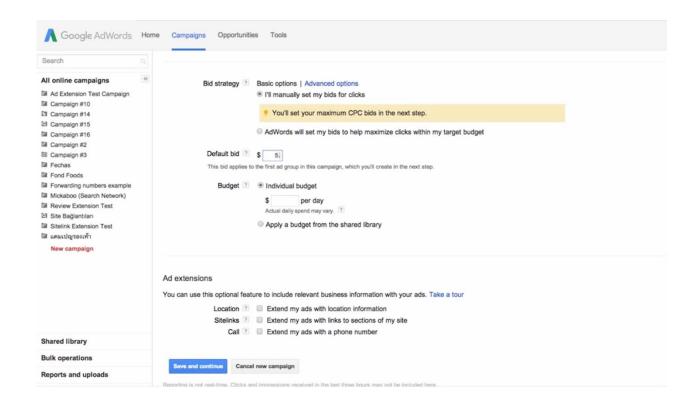
Setting Up Google Ads



Setting Up Google Ads



Setting Up Google Ads





Conversion Rate Formula

Calculate how frequently a click or visit results in a conversion. Clicks are used for links, ads, or posts, while visits are used for websites.

Conversion Rate =
$$\frac{\text{Total Attributed Conversions}}{\text{Total No. of Clicks or Visits}} \times 100$$

*Conversion Rate is expressed as a percentage, so for ease of use x100 is added to the above equation.

What does it mean?

Conversions: An action you want people to complete (for example buying something or signing up for something). **Total Attributed Conversion:** The total amount of conversions which were caused by *these* clicks/visits. Conversions usually have multiple causes, so someone (usually the advertiser) has to decide what to attribute for each conversion. **Total No. of Clicks or Visits:** The number of clicks a link, ad, or post received, or the number of visits a website had.

theonlineadvertisingguide.com





Cost Per Acquisition (CPA) Formula

AKA Cost Per Action. Calculate how much each conversion costs.

$$(Cost \ Per \ Acquisition) = \frac{\text{Total Amount Spent}}{\text{Total Attributed Conversions}}$$

What does it mean?

Total Amount Spent: The total amount of money used on a marketing activity (eg running an ad campaign). **Acquisition, Action, or Conversion:** Any action that is being measured (eg a sale or signup). **Total Attributed Conversions:** The total amount of conversions which were attributed to *this* activity. Conversions usually have multiple causes, so someone (usually the advertiser) has to decide what to attribute for each conversion.

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With a budget of \$1000, an average CPC of \$2.50, how many clicks can the advertiser receive before their budget is exhausted?

\$1000/\$2.50 = 400 clicks

With an unlimited budget, an average CPC of \$1.00, a CTR of 1.8%, and 60,000 impressions, how much will the advertiser spend?

(60,000 * .018) * \$1 = \$1080

With an average CPC of \$2.00, how high does the conversion rate need to be in order to reach a goal **CPA of \$10**?

(\$2/\$10) * 100 = 20%

If you have a \$3000 budget, your average CPC is \$0.50, and your conversion rate is 5%, what is your current CPA? How many conversions can you get for \$3000?

At a 5% conversion rate 5 out of 100 clicks result in sales, or 1 sale for every 20 clicks. 20 Clicks * \$0.50 = \$10 CPA. \$3000 Budget/\$10 CPA= 300 conversions.

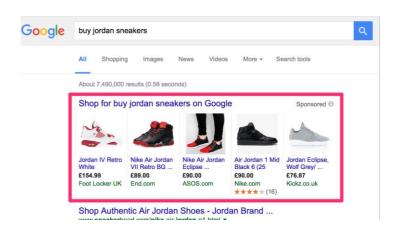
Assume you buy women's skirts at wholesale for \$10, and you resell them online for \$50, and you give away free shipping which costs \$5, and you want to make \$20 per dress, what should your target CPA be? \$50 Retail Price - \$10 Wholesale cost - \$5 Shipping cost - \$20 Target Margin = **\$15 Target CPA**

PPC Math

Using the above information and answer, with an average CPC of \$3, how many clicks can you get before you get a sale? What should be your target conversion rate?

\$15 CPA / \$3CPC = 5 (1 Conversion / 5 clicks) = 20% Target conversion rate.

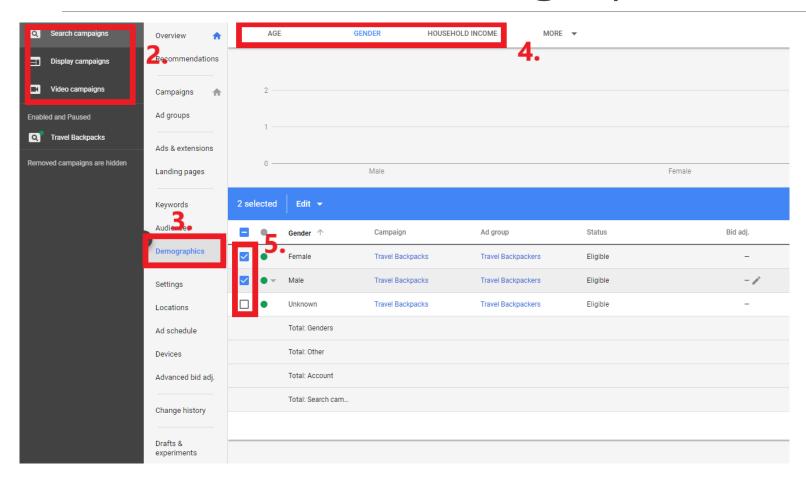
- Campaign Type
 - Search network only
 - Display network only (Topic 6)
 - Search network with display select
 - Shopping



- Device
 - Desktop
 - Tablet
 - Mobile

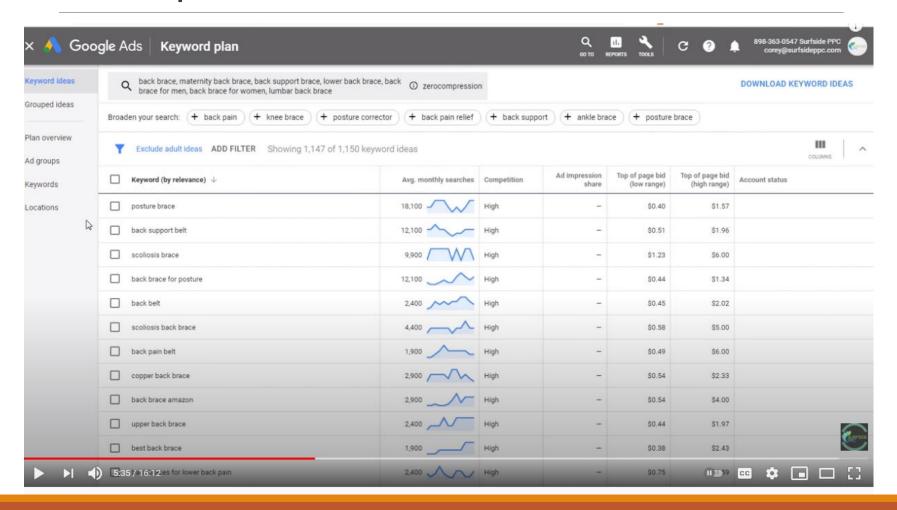
- Location
- Language

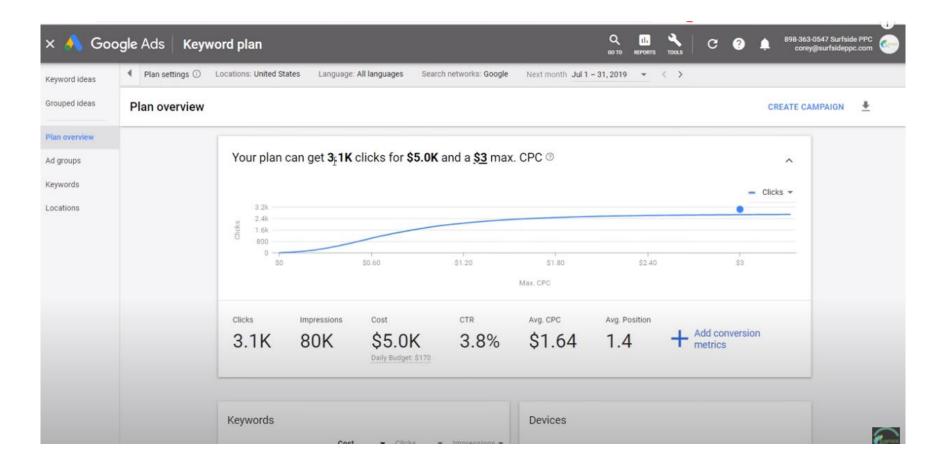
What about Demographics?

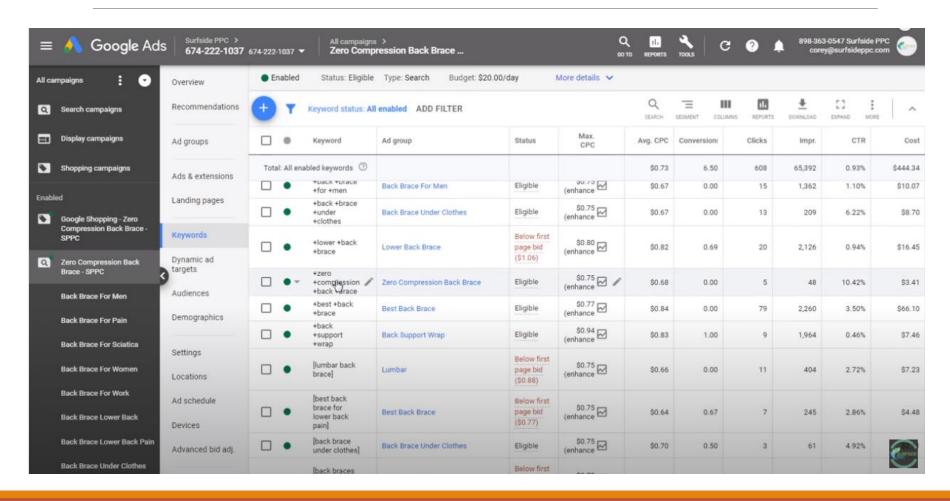


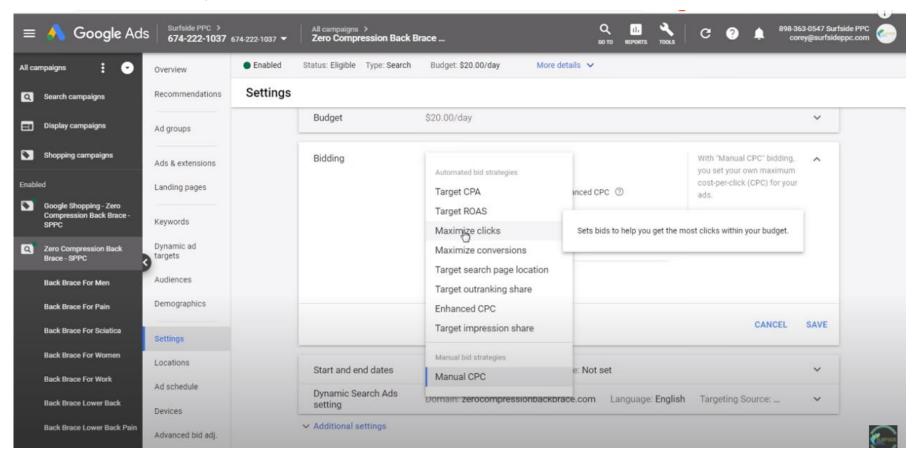
- Bid strategy
 - Manual
 - Automatic
 - Conversion Optimizer Target CPA"
 - Flexible (Manual + Enhanced CPC)

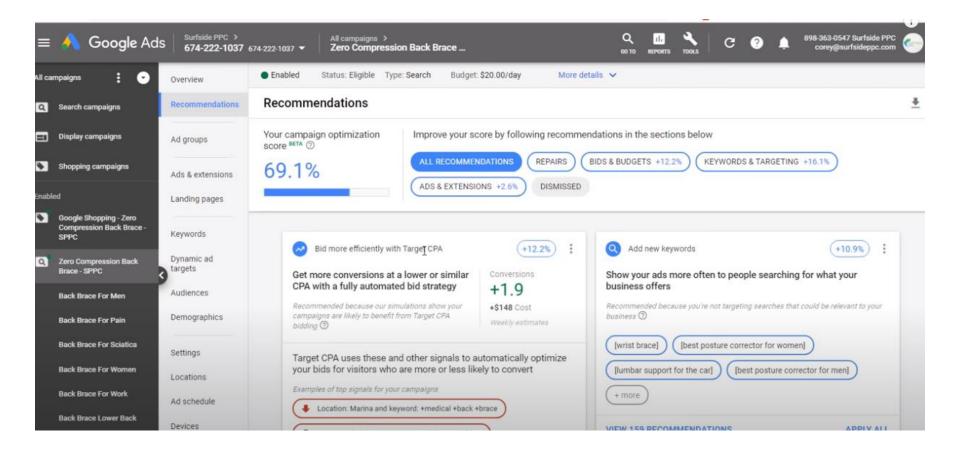
Daily Budget

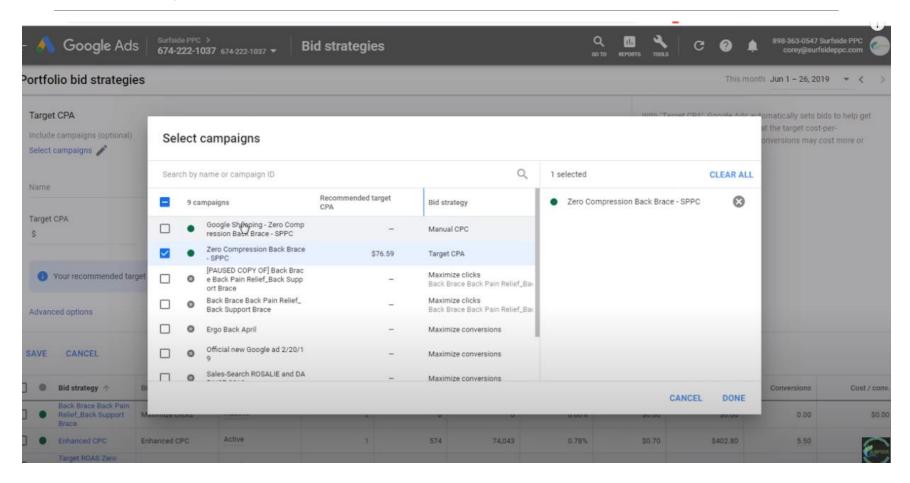


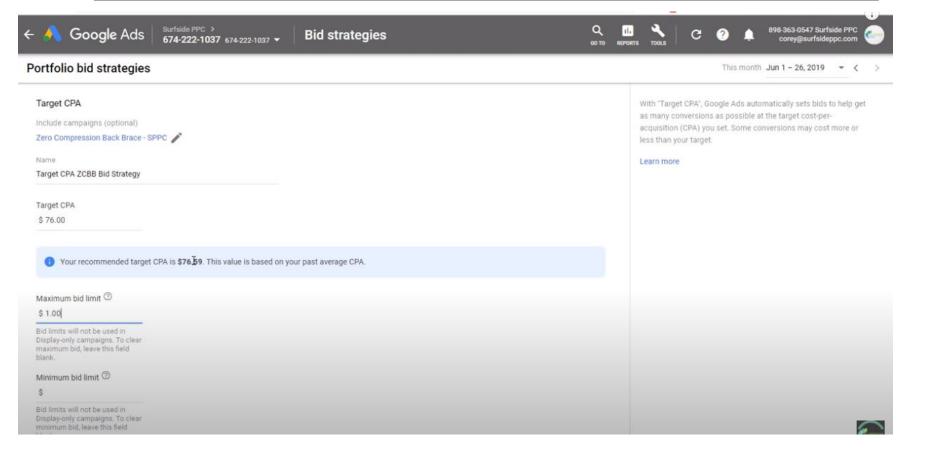


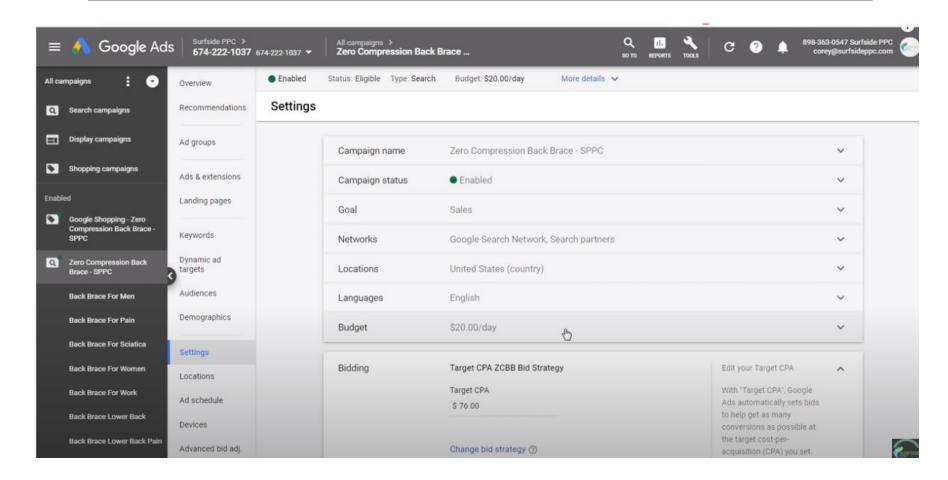












- Ad extensions
 - Location

Amherst Ice Cream Parlour - Artisan Soft Serve

Ad www.example.com

Pistachio and Brown Butter Raisin On Tap. Fresh Baked Cookies.

§ 100 Dardanelles Rd, Amherst MA

- Ad extensions
 - Location
 - Affiliate location

- Ad extensions
 - Location
 - Affiliate location
 - Callout

ACME Electronics - Competitive Pricing

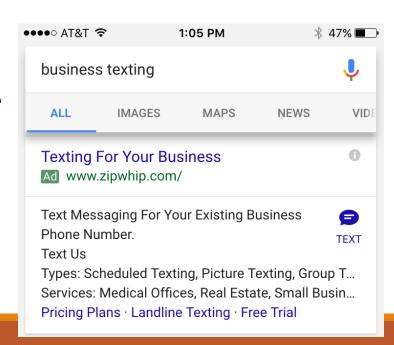
[Ad] www.example.com

Shop ACME Electronics For Laptops, Smartphones, Video Games, And More. Free Shipping · 24-7 Customer Service · Price Matching

- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call



- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call
 - Message



- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call
 - Message
 - Site link

Walter's Bakery for Dogs Ad www.example.com Artisanal Biscuits and Cakes. Doesn't your dog deserve it? Hours Specials Biscuits Healthy diets

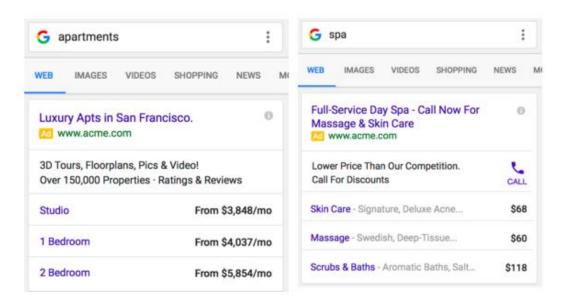
- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call
 - Message
 - Sitelink
 - Structured snippet
 - Available headers: Amenities, Brands, Courses, Degree programs, Destinations, Featured hotels, Insurance coverage, Models, Neighborhoods, Service catalog, Shows, Styles, Types

ACME Electronics - Full Service Tech Shop

Ad www.example.com

Shop ACME Electronics For Laptops, Smartphones, Video Games, And More. Services: Tech Support, E-Waste Recycling, Computer Repair

- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call
 - Message
 - Sitelink
 - Structured snippet
 - Price



- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call
 - Message
 - Sitelink
 - Structured snippet
 - Price
 - Review

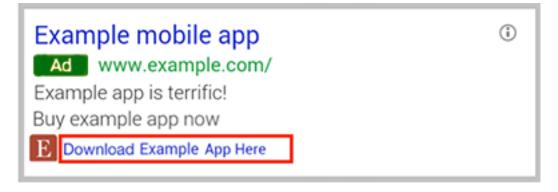
Mushroom Foraging Tours

Ad www.example.com

Find Chanterelles, Porcini, Oyster Mushrooms with a Fungi Guide!

"The leader in foraging." - FungiAssociation.com

- Ad extensions
 - Location
 - Affiliate location
 - Callout
 - Call
 - Message
 - Sitelink
 - Structured snippet
 - Price
 - Review
 - App



- "Budget is set at the campaign level
 - There is no ad group or KW budget
- Campaign settings determines where your ads will shown
 - Which Geo Location
 - Which Language
 - Which Type of advertising
 - Search / Display / Search with Display / Shopping / Video
 - Ads will show on all eligible devices by default."

Ad tips

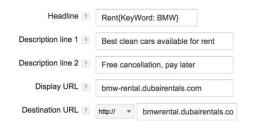
- > "Highlight what makes you unique
- > Include prices, promotions, and exclusives
- > Empower customers to take action
- > Include at least one of your keywords
- Match your ad to your landing page
- > Appeal to customers on mobile
- > Test!"

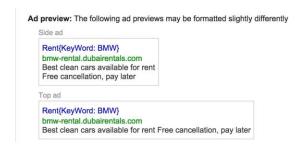
More Ad Tips

- "Writing the Ad Copy
- Use main KWs in the ad group This will increase CTR%
- Value proposition what makes your offer unique
 - Lowest price
 - Many options
- > You can test showing price of service/products
 - Starting from 19.90
 - Only for \$29
- Mention for offers
 - Buy 2 get 1 for free
- Use call to action
 - Book now, reserve now, use now, register now, discover..."

Dynamic Keyword Insertion

- "This allows advertiser to insert the KW that triggered the Ad in to ad text.
- > Rule:
- Rent {KeyWord: BMW}





- Benefits:
- Increases ad text relevancy with search query
- Search term displayed in bold
- High probability to increase CTR
- Can be used in any part of the ad"

Example of Dynamic Keyword Insertion

Keywords	Ad text
dark chocolate	Headline: Buy {KeyWord:Chocolate}
sugar free chocolate	Display URL: www.example.com
gourmet chocolate truffles	Description line 1: Artisan candy from San Francisco
	Description line 2: Free shipping orders \$50 more

Depending on which keyword is triggered by a customer's search, the above ad could look different. Here are some examples of how your ad could look for customers:

Customer searches for:	Your ad could look like:						
dark chocolate	Buy Dark Chocolate www.example.com Artisan candy from San Francisco Free shipping orders \$50 more						
sugar free chocolate	Buy Sugar Free Chocolate www.example.com Artisan candy from San Francisco Free shipping orders \$50 more						
gourmet chocolate truffles	Buy Chocolate www.example.com Artisan candy from San Francisco Free shipping orders \$50 more						

Analyzing Keyword Performance

+ Add Keywords		Campaigns	gns Ad Groups		Ads	Keywords		Insights						
4	ACTIONS Campaigns ALL Ad Groups ALL													
	Status	Keyword	Sug. Bid	Max CPC	lmpr.	Clicks	Avg. Pos	Avg. CPC	Total Cost	CTR	Conv.	Conv. Rate	Profits	CPA
	Active	canon eos rebel	\$1.30	\$1.05	5,400	53	6.00	\$1.05	\$55.65	0.98	2	3.77	\$144.00	\$27.83
	Active	canon eos rebel t3i	\$0.81	\$0.85	27,100	352	4.50	\$0.85	\$299.20	1.30	14	3.98	\$1,008.00	\$21.37
	Active	canon rebel	\$1.00	\$1.05	27,100	312	4.50	\$1.05	\$327.55	1.15	12	3.85	\$864.00	\$27.30
	Active	go pro	\$0.85	\$0.85	38,555	175	9.50	\$0.85	\$148.75	0.45	7	4.00	\$313.81	\$21.25
	Active	go pro camera	\$1.15	\$1.21	27,100	139	9.50	\$1.21	\$168.19	0.51	5	3.60	\$224.15	\$33.64
	Active	go pro hero	\$0.72	\$0.90	5,400	35	9.50	\$0.90	\$31.46	0.65	1	2.86	\$44.83	\$31.46
	Active	go pro hero 3	\$1.21	\$1.55	12,100	78	9.50	\$1.55	\$120.28	0.64	3	3.85	\$134.49	\$40.09
	Active	go pro hero camera	\$1.37	\$1.55	170	0	9.50	\$1.55	\$0.00	0.00	0	0.00	\$0.00	\$0.00
	Active	go pro hero hd	\$0.89	\$1.00	140	1	9.60	\$1.00	\$1.00	0.71	0	0.00	\$0.00	\$0.00
	Active	gopro	\$0.74	\$0.85	19,319	0	10.00	\$0.85	\$0.00	0.00	0	0.00	\$0.00	\$0.00
	Active	gopro camera	\$1.17	\$1.21	19,147	0	10.00	\$1.21	\$0.00	0.00	0	0.00	\$0.00	\$0.00
	Active	nikon coolpix I110	\$0.19	\$0.25	1,900	70	3.00	\$0.25	\$17.51	3.68	2	2.86	\$89.66	\$8.76

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