

# Internet Marketing Essentials

*A comprehensive digital marketing textbook*

The image shows a digital textbook interface. At the top, there is a dark navigation bar with four items: "Manage Courses", "Manage Students", "Course Settings", and "View Book". Below this, on the left, is a vertical sidebar with a teal header labeled "Table of Contents". Underneath are seven teal rectangular buttons, each labeled with a chapter number from 1 to 6. To the right of the sidebar, the main content area has a white background. It features a large teal title "Table of Contents" followed by a list of chapter titles: "Internet Marketing", "How Search Engines", "On-Site SEO", "Off-Site SEO", "Paid Search Market", and "Online Advertising".

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Online Advertising

Larson | Draper

## **Internet Marketing Essentials**

*Larson & Draper*

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Stuart Draper graduated with a Bachelor of Science degree in Marketing from Brigham Young University – Idaho, where he was awarded the title of Newel K. Whitney Scholar. Years after graduating, he was asked by the university to teach web business as an adjunct faculty member. He has taught and mentored hundreds of college students on the subject of internet marketing. He has also hired and trained dozens of college students as online marketing interns and employees. He has been published on Search Engine Journal and his blogs have been featured on Search Engine Land, Search Engine Watch, and Search Engine Roundtable. He is the founder of Stukent, Inc. and a variety of other web properties. In 2008 he founded [Get Found First](#), a Google Adwords Partner company that has helped hundreds of websites, from mom-and-pop shops to Fortune 100 companies with their online marketing. Since its inception, his company has managed millions of dollars in online advertising budgets. In 2012, Get Found First acquired

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**Chapter 1 -**  
**Internet Marketing Foundations**  
Introduction  
1 - Technical Terms  
2 - Successful Websites

## Chapter 1 - Introduction

### Chapter 1 Learning Objectives

After reading this chapter, students should be able to:

- Describe how computers and servers communicate to enable people to interact with webpages on the internet.
- Name the three objectives of a website.
- Evaluate a website's performance on its three general objectives and identify specific areas for improvement.

If you have any role in running a website—whether the website is large or small; whether the website is the whole business or only part of a larger business; whether your role is central or peripheral to the website—then understanding the various principles of internet marketing will help you do your job better. The goal of this book is to provide you with an understanding of internet marketing that is up-to-date, thorough, and succinct. Because this book is hosted online, content is periodically updated so that everything in it reflects the most recent best practices in digital marketing. Though no single book could possibly cover every valuable topic in internet marketing, the topics covered in this book represent the vast majority of internet marketing expenditures, meaning that they also represent the skills used by the vast majority of people who work in internet marketing jobs. Each chapter is short and to-the-point, providing you with the requisite knowledge and understanding without excess verbiage.

In keeping with this goal of succinctness, this introductory chapter provides a wealth of important background knowledge about the internet and about various types of websites. To avoid future confusion, this book does not assume you have any prior knowledge about the internet or internet marketing. As a result, some of this chapter may seem basic, but you will gain valuable knowledge by reading it irrespective of your current knowledge. The first section of this chapter, Technical Terms, discusses technical aspects of the internet and provides an understanding of many terms

that will be used throughout the book. The second section, Successful Websites, provides a broad framework for evaluating the success of a website of any kind.

# *Chapter 1 - Section 1 - Technical Terms*

Consider an internet user (we'll call him John) who goes online to purchase a Blu-Ray/DVD combo pack for a recently released movie. He goes to amazon.com, searches for the movie, puts the movie in his shopping cart, checks out, and two days later, the combo pack arrives in the mail. This entire set of actions would have seemed miraculous only 20 years ago, but today this is typical behavior. It is so typical, in fact, that many do not recognize the complexity that underlies each step of this procedure. For example, for Amazon's homepage to show up on John's browser, all of the following things occurred.

1. John typed in "amazon.com" (or "http://amazon.com" or "http://www.amazon.com" or "www.amazon.com"). This is the URL (Uniform Resource Locator) for Amazon's homepage, indicating which webpage John wants to display. ("Amazon.com" is also a domain name, the name of a website. Each of the thousands of pages within the Amazon website/domain has a unique URL.)
2. The URL is converted to an IP address (Internet Protocol address —the Internet Protocol is a standardized set of procedures for locating computers connected to the internet and for transferring information from one computer to another).
3. The information request for Amazon's homepage is sent to Amazon's server (a computer connected to the internet that fulfills information requests to the website).
4. Along with this information request, John's browser also sends any data from any Amazon cookie stored on John's computer. (A cookie is a unique identifier that Amazon placed on John's computer during one of his previous visits to amazon.com so Amazon could remember him. Though some privacy advocates attribute sinister intentions to these cookies, cookies are typically used to tailor the website experience to each user. Amazon can better recommend products John might like based on his browsing and purchase history.)

5. Amazon's server receives the request for the homepage along with the cookie data and processes this request using a dynamic server-side programming language (Java, C++, Perl, and PHP are examples). The server will also retrieve information about John's past behavior on the site from a database.
6. This process creates HTML (hyper-text markup language) and Javascript code that will be sent to John's computer. Both HTML and Javascript are client-side coding languages that web browsers (software that displays webpages—Internet Explorer, Firefox, Chrome, Safari) process to display webpages.
7. Amazon's server sends this code to John's computer, which has its own IP address. John's browser processes this code to display the homepage on his computer.

These steps are illustrated in Figure 1.1.1 below.

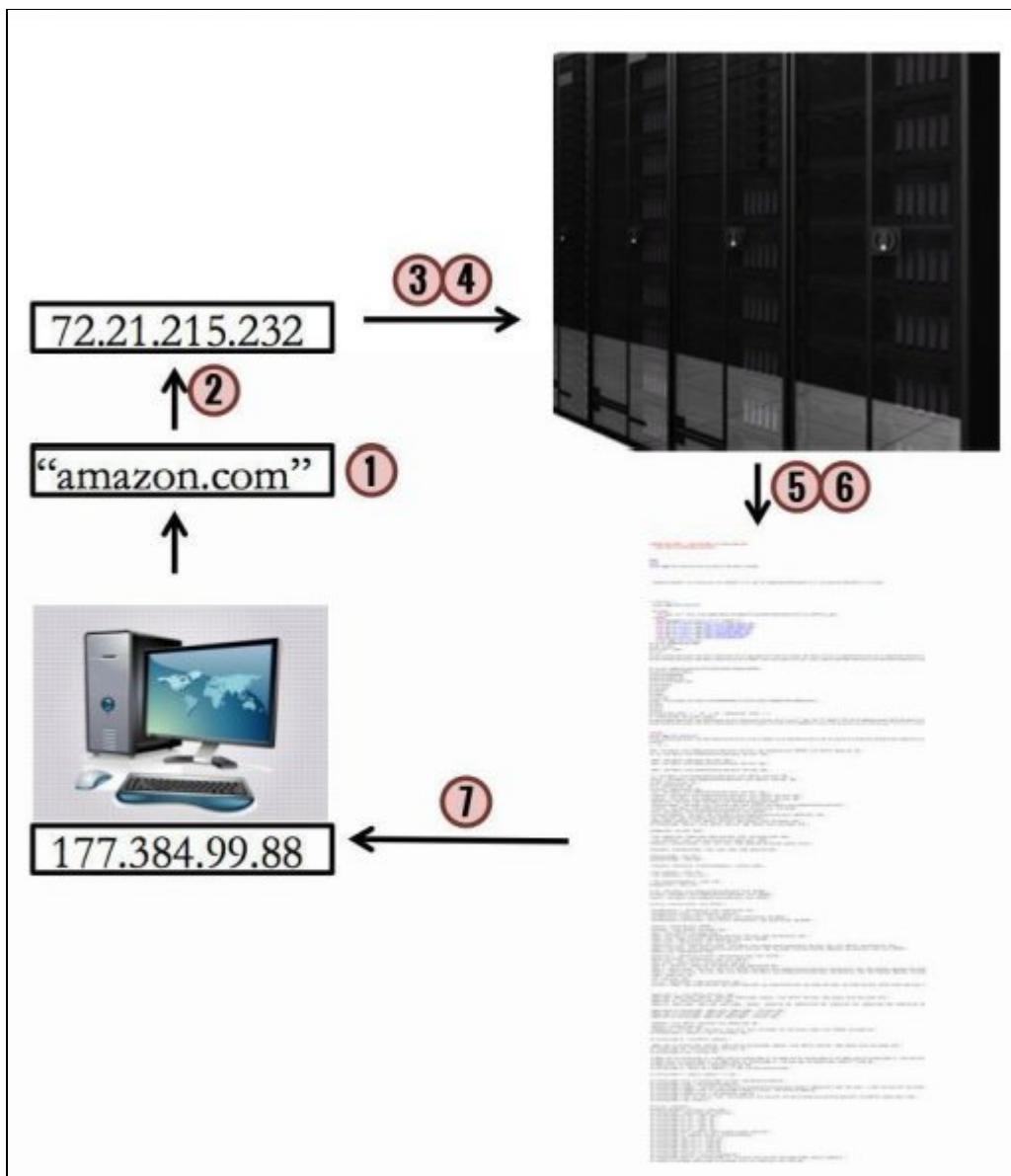


Figure 1.1.1

Note that this entire procedure had to take place just for John to see Amazon's homepage. Once the homepage is displayed, John searches for the movie (alternately, he could have navigated through Amazon's category links until he found the movie) and finds the product he seeks. Note that every action John takes on amazon.com uses the same procedure just illustrated of making a request to Amazon's server and a response from the server sent back to John's computer. When John finds the movie, he clicks the "Add to Cart" button, which places the movie in John's shopping cart (software that stores shoppers' product requests). When John checks out, his credit card and other personal information is sent using transport layer security (TLS)

(an encryption method to prevent eavesdropping from third parties; its predecessor was called secure sockets layer (SSL)).

Because of Amazon's size, it owns thousands of its own servers to respond to all of the internet users wishing to browse its site and make purchases. But servers are expensive, and it is not cost-effective for every person who wants to start a small website to own his/her own server. Instead, most people start a website using a web hosting company like GoDaddy or Dreamhost. Web hosting means providing server space for others to run a website. So instead of buying a server, someone starting a small website will rent part of a server from GoDaddy for a fraction of the cost.

# *Chapter 1 - Section 2 - Successful Websites*

Regardless of the type of website one runs, that website's success is measured according to how well it meets the following objectives: (1) generate traffic (visitors to the site), (2) drive conversions (visitors engage in some type of desired behavior), and, if the owner wants to earn money from the website, (3) generate revenue. This framework for evaluating websites is a useful tool for determining actions that will be most beneficial for the success of a website.

## **Traffic**

Websites get three types of traffic (visitors): (1) direct traffic (an internet user types the website's URL directly into the browser), (2) referral traffic (an internet user clicks on a link to the site from another site), and (3) search traffic (an internet user clicks on a link to the site from a search engine results page—though this can technically be considered referral traffic, search traffic and referral traffic differ from one another in many ways and so are considered separately).

**Direct Traffic.** Most websites earn little direct traffic. Direct traffic comes either from offline advertising activities (someone sees a billboard or television commercial featuring the website's URL and later visits the site directly) or from habit (a sports enthusiast goes to espn.com for his daily sports news fix). Most websites cannot afford to advertise offline and so don't earn direct traffic this way. And because few websites have enough content to merit repeat visits, they do not generate habitual visits.

**Referral Traffic.** Referral traffic can be further categorized into two subcategories: paid and unpaid. Paid referral traffic comes from banner, text, or rich media ads that a website has paid to display on other websites, such as the ad for Belkin's WeMo line of home automation products on the right side of cnn.com's homepage, shown below (Figure 1.2.1). Chapter 6 of this textbook, *Online Advertising*, provides training on generating paid referral traffic.



Figure 1.2.1

Unpaid referral traffic refers to any visitors that come to the website from any links that are not paid for, as in Figure 1.2.2 below, which shows an article on gizmodo.com about the WeMo line of products. Within the first paragraph, the author of the article included three links to the WeMo section of Belkin's website (the blue text links).

## Belkin's WeMo Smart LED Bulbs Put the Light Switch On Your Phone



Andrew Liszewski

Filed to: CES 2014 1/05/14 7:30pm

14,584 1

EXPAND



Belkin continues its pursuit of making [home automation](#) a simple plug-and-play affair with the introduction of its new Smart LED lightbulbs to its [WeMo line](#). The 60-watt equivalent bulbs produce 800 lumens and cast a warm 3000 Kelvin glow across a room—so they should satisfy even those who've stocked up on incandescent bulbs ahead of the ban.

Figure 1.2.2

Chapter 4 of this textbook, Off-Site Search Engine Optimization, will discuss tactics to earn links from external websites for purposes of ranking well on search engines, but an additional benefit of such links is that they can generate traffic for a website.

**Search Traffic.** Search traffic can also be further categorized as unpaid and paid. Unpaid search traffic is any traffic that comes to a site by clicking on the organic search results on the search engine results page, or SERP, whereas paid search traffic comes from ads on the search engine results page that accompany the organic results. Below is a screenshot of the search engine results page for the search *internet marketing*. The results highlighted in blue are paid ads—clicking on one of these links would categorize the user as paid search traffic for that website. The results highlighted in yellow are organic results—clicking on one of these links would categorize the user as unpaid search traffic. Chapters 2 through 4 of this textbook provide guidance for generating unpaid search traffic. Chapter 5, Paid Search Marketing, provides training for generating paid search traffic.

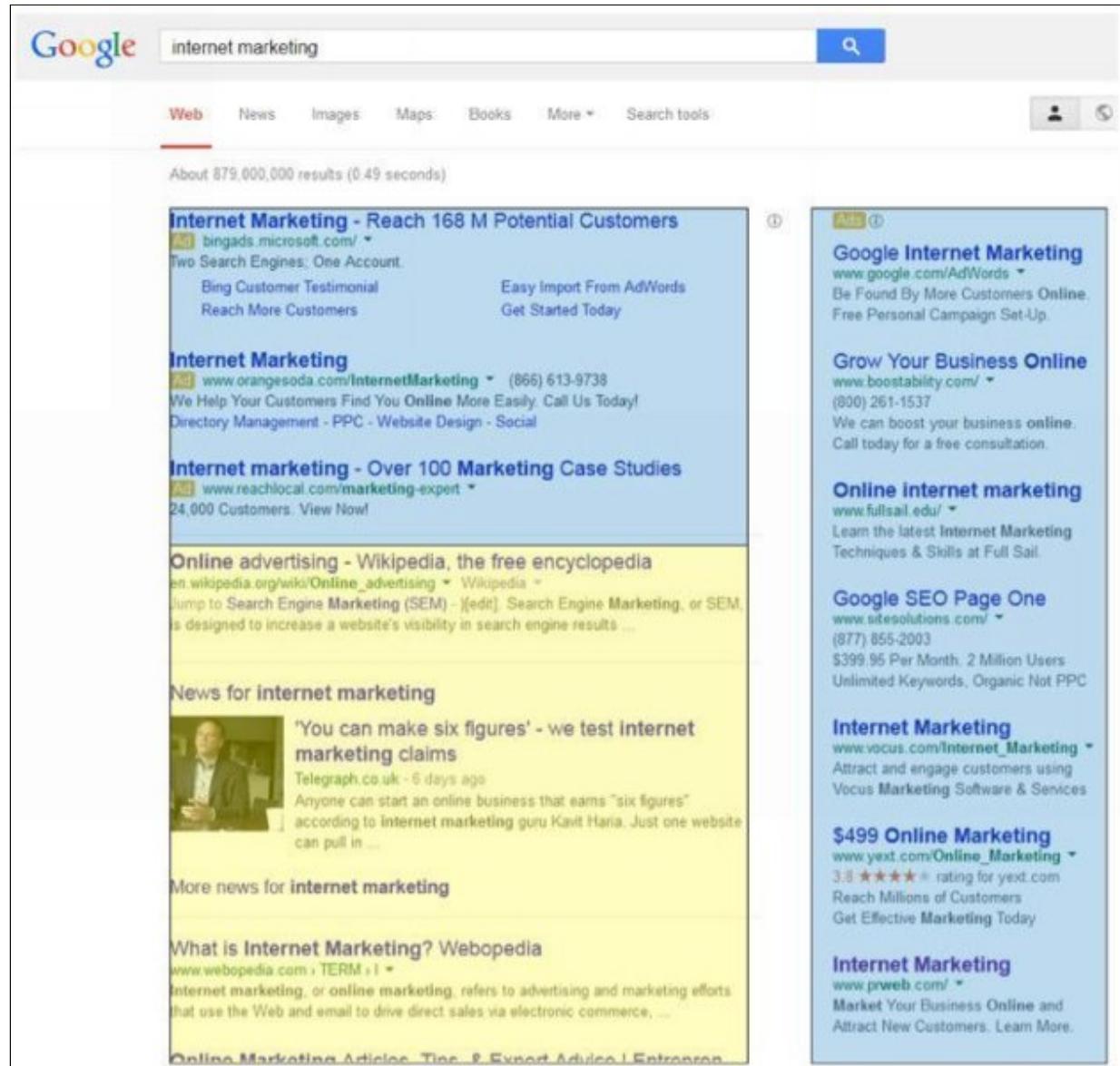


Figure 1.2.3

## Conversion

A conversion is a target action you wish visitors to take. It is most easily understood in the context of online retail, or eCommerce. In eCommerce, a visitor has converted when he/she makes a purchase from the site. The percentage of visitors who convert, called the “conversion rate,” is one of the most important indicators of a retail website’s success. Not all websites are retail websites, so a conversion can be defined in many different ways, depending on the type of website. In addition, for some websites, a conversion cannot be clearly defined. The following table (1.2.1) provides the primary

conversion for various types of websites along with several alternate conversions for these websites.

**Table 1.2.1**

<b>Website Type</b>	<b>Primary Conversion</b>	<b>Secondary Conversions</b>
Retail (eCommerce)	Purchase	Create account Sign up for emails Pay for premium account
Lead generation	Lead (Phone call or form submission)	Sign up for emails
Search engine	Booking (e.g. hotel reservation)	Click on ad Sign up for emails
Media	Engagement	Page views Video views Create account
Social Media	Create account	Content creation (tweet, post) Content interaction (like, favorite, re-post)
Affiliate marketing	Click affiliate link	Purchase
Marketplace	Purchase / Item posted for sale	Create account

**Retail (eCommerce).** A conversion for a retail website is straightforward—the visitor makes a purchase. This type of conversion is the primary one for which all retail sites strive. But many retail sites also attempt to entice visitors to engage in other profitable behaviors. A visitor who creates an account on the site is more likely to come back and make purchases later; thus many retail sites try to get visitors to create an account with them (as can be seen below, newegg.com allows new users to register from the homepage, and it also allows new customers to register during the checkout process). A profitable way to entice customers to make more frequent purchases is to send them emails about products, so many retail websites try to entice customers to sign up for their email list (as newegg.com does from the “EMAIL DEALS” tab). A few online retailers like amazon.com and newegg.com have premium memberships that cost an extra annual fee for additional benefits such as free shipping (as the top banner, which advertises “Newegg Premier,” shows).

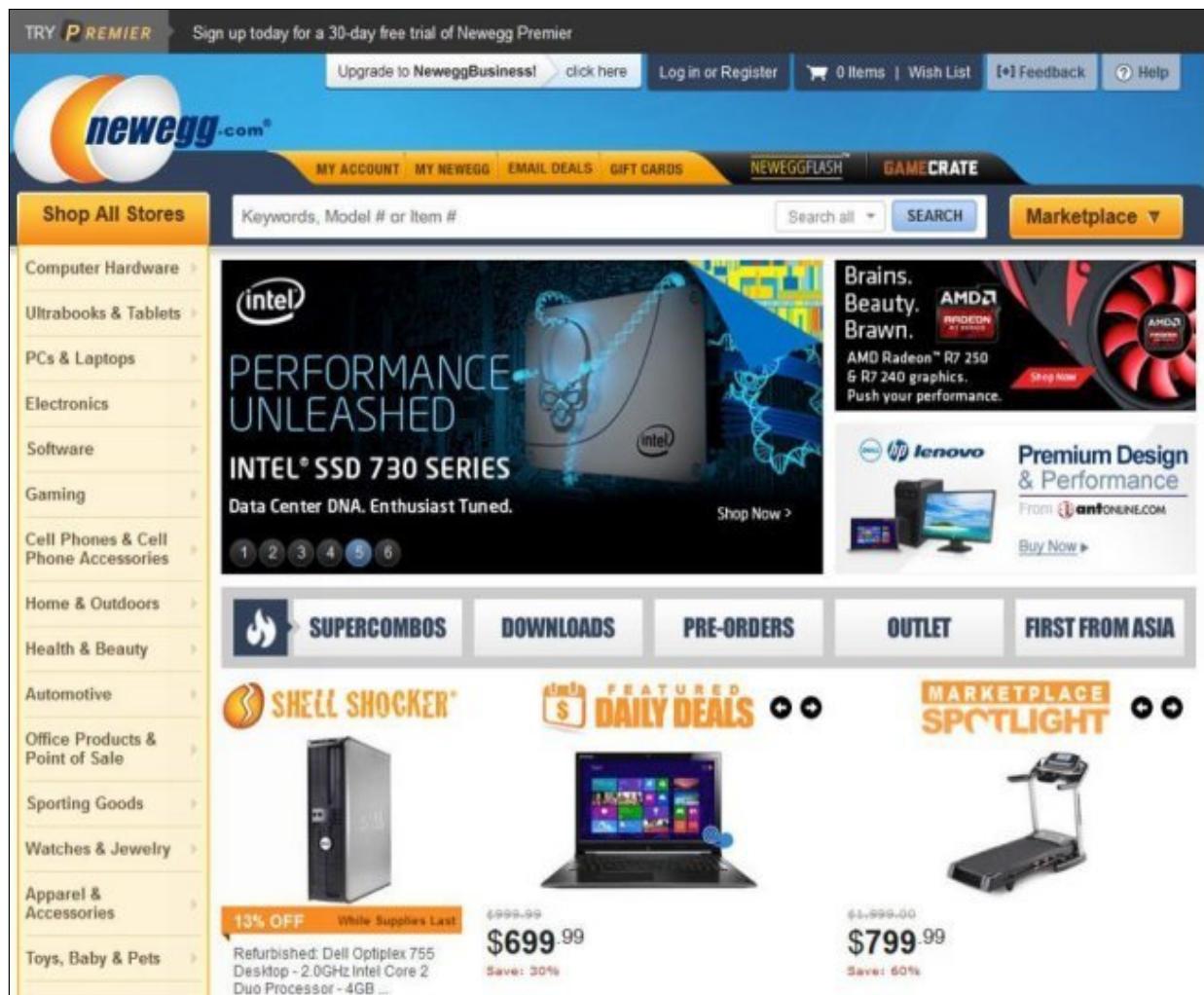


Figure 1.2.5

**Lead generation.** As the name clearly states, a lead generation website's goal is to generate a lead. A lead is an inquiry from a potential customer into a business's products or services. For example, a plumber would not be interested in selling anything on his website, but he would like potential customers to call to hire him for a job. Any call that comes from his website would be a lead. Alternately, he could provide a lead form on his website, where potential customers could fill out their contact information for him to contact them later. In some industries, the sales cycle can take a long time, so businesses need to nurture leads by providing them periodic information about their company and services. Some companies may also want to entice potential customers to sign up for their email list.

**Search engine.** A search engine like Expedia makes money when a user books a hotel or flight on its site; thus a booking is the conversion Expedia wants.

Because Expedia can often achieve additional bookings by sending emails out to users with special deals on flights, hotels, or vacation packages, a secondary conversion is to get users to sign up for these regular emails.

Google and Bing make money when a user clicks on an ad; thus an ad click-through is a conversion for those search engines.

**Media.** Of all the different types of websites, media websites have a conversion that is most difficult to define. Media websites make money by exposing users to advertisements, and they can expose users to more ads (and thus make more money) if they can keep users engaged. For many media sites, engagement means getting more pageviews, typically by encouraging visitors to view more pages within a visit. For other media sites, this means getting users to watch more videos. For some media sites (especially those with content that resides behind a paywall, such as Hulu-Plus and Netflix), a conversion is more straightforward—get users to sign up for a paying account.

**Social Media.** Before a person can use a social media site, he/she must create an account, so a new account creation is a conversion for a social media platform. Once the platform has reached a large number of users, it still wants to continue getting new accounts, but it also wants its current account holders to remain engaged, which happens when they interact with content (“Like” a status, retweet something, or pin something) or create content (post pictures, create a pin, etc.).

**Affiliate Marketing.** Affiliate marketers make money when a visitor clicks on one of their affiliate links and buys something on the destination website. Because the affiliate marketer can only directly influence the click, a click-through is its main conversion. But by attracting the right kind of traffic, an affiliate marketer may also be able to exert indirect influence on the amount of purchase that occurs after the click, so a purchase is a secondary conversion.

**Marketplace.** Ebay and Craigslist don’t sell anything themselves, but they provide a platform for buyers and sellers to come together for these exchanges. Nothing can be purchased if sellers do not post something for sale, but buyers are equally important, so both actions are primary conversions. As a secondary focus, account creation is also an important behavior marketplaces need from users.

## Revenue

Revenue comes as a result of generating conversions. An eCommerce site does not usually sell things for free, so revenue comes with every purchase. If a company can close a percentage of the leads its website generates, it will earn money from those leads. If a media site can create user engagement, it can earn money by allowing advertisers to reach those users. So why do we measure the success of a website through revenue and not simply through traffic and conversions? First, because the goal of a website is (typically, but not always) to make money, the amount of revenue generated is the primary measure of success. Second, a website with a high level of traffic and a good conversion rate can often improve performance by focusing on increasing the average order value, or the amount of money each conversion yields, so it deserves its own area of focus.

**Retail.** A retailer can increase average order value by encouraging customers to purchase higher-priced items or by encouraging add-on purchases. Both routes can be successful. A software company that offers a standard software package for \$99 and a deluxe version for \$149 should do everything in its power to encourage visitors to buy the deluxe version. Retailers like Amazon invest lots of money into research on product recommendations in the hopes of encouraging more add-on items to go with every purchase.

**Lead generation.** Maximizing revenue is best accomplished by closing a more lucrative deal, which occurs outside the functioning of a website. Thus the manager of a lead generation website should focus on traffic and conversion.

**Search engine.** A search engine such as Expedia often earns a larger fee for some hotel bookings than others, so it might order hotel results in a way that encourages these more lucrative bookings. Meanwhile, Google and Bing place the most lucrative ads in the best positions to maximize their revenue.

**Media.** In general, advertisers are willing to pay more to advertise to targeted audiences, so if a media company can learn more about its users, and more specifically, learn what kinds of advertisements are effective with its users, it can charge its advertisers more. Also, certain advertising formats might be more effective than others, so learning which ad formats generate more clicks can increase media websites' revenue.

**Social media.** Social media platforms know a lot about each user because users divulge a lot of personal information. If advertisers can use this

information to more effectively target likely customers, the platform will earn more from advertisers.

**Affiliate marketing.** Providing links to higher-priced items will generate more revenue if those products generate the same click-through and conversion rates. Determining the right product to link to can increase an affiliate marketer's revenues.

**Marketplace.** Ebay charges a standard fee structure to every seller, but it has figured out a way to earn extra revenue by charging sellers to upgrade their listings or for supplemental services. Other marketplaces can (and do) develop similar add-on fees.

# **Chapter 2 -**

# **How Search Engines Work**

Introduction

1 - History

2 - Google Search Algorithm

3 - Google Updates

## Chapter 2 - Introduction

### Chapter 2 Learning Objectives

After reading this chapter, students should be able to:

- Describe the PageRank formula for calculating a webpage's popularity.
- Determine how a search engine would calculate the relevance of a webpage to a keyword.
- Describe the kinds of websites that were rewarded and penalized by the Google Panda and Google Penguin updates.

The internet has close to one billion websites, and most of these have multiple pages (some have thousands of pages). This vast amount of information is beyond the limits of any human brain to process or organize, so we rely on search engines to organize the internet in a way that enables us to find useful information on a desired topic. Search engines influence many business transactions both online and offline, so an important internet marketing activity for any business is search engine optimization, which Chapters 3 and 4 will discuss. But to effectively perform search engine optimization, one needs to understand the basic workings of today's search engines. This is the focus of the current chapter.

## *Chapter 2 - Section 1 - History*

Rewind the clock back to 1994, when the internet was composed of a relatively small number of websites created and managed by a few savvy programmers and hobbyists. Despite the relatively small quantity of websites in existence, any casual internet user faced a serious problem—there was no good way to find content. Twenty years later, it seems obvious that a search engine is the best solution to this problem. But this was not obvious in 1994. In fact, the first popular method of finding content on the internet was not through a search engine but through lists or directories of popular, high-quality websites, organized by subject matter. Yahoo! was created when Jerry Yang's personal website listing his favorite websites increasingly became the portal through which internet users discovered new content online. In 1994, it looked like this:

# Yahoo

[ [What's New?](#) | [What's Cool?](#) | [What's Popular?](#) | [A Random Link](#) ]

[ [Yahoo](#) | [Up](#) | [Search](#) | [Suggest](#) | [Add](#) | [Help](#) ]

- [Art \(619\) \[new\]](#)
- [Business \(8546\) \[new\]](#)
- [Computers \(3266\) \[new\]](#)
- [Economy \(898\) \[new\]](#)
- [Education \(1839\) \[new\]](#)
- [Entertainment \(8814\) \[new\]](#)
- [Environment and Nature \(268\) \[new\]](#)
- [Events \(64\) \[new\]](#)
- [Government \(1226\) \[new\]](#)
- [Health \(548\) \[new\]](#)
- [Humanities \(226\) \[new\]](#)
- [Law \(221\) \[new\]](#)
- [News \(301\) \[new\]](#)
- [Politics \(184\) \[new\]](#)
- [Reference \(495\) \[new\]](#)
- [Regional Information \(4597\) \[new\]](#)
- [Science \(3289\) \[new\]](#)
- [Social Science \(115\) \[new\]](#)
- [Society and Culture \(933\) \[new\]](#)

*There are currently 31897 entries in the Yahoo database*

Figure 2.1.1

Unfortunately, this method of content discovery has serious drawbacks. First, such a list must be maintained manually, and thus it is slow to improve and incorporate new content. This drawback is especially detrimental for the internet, which would experience exponential growth for the next decade. Second, a list of websites by topic can only cover broad, popular topics, which makes the list useless for anyone looking for information on monarch butterfly migration patterns, for example. Because of these weaknesses, Yahoo! soon added a search bar to its directory of websites, as seen in this screenshot of Yahoo!'s homepage in 1995 (Figure 2.1.2).



Figure 2.1.2

But at this point in internet history, search engine algorithms (the set of rules and computations a search engine uses to determine which webpages should appear and in which order) had a serious drawback: the results of a given search were determined entirely by how well the search phrase matched the content of the website. This issue may not seem problematic at all. After all, if one were to type in the phrase *monarch butterfly migration patterns*, the best result would likely be the website that has content matching that phrase. Right? Let's answer this question with two example web pages.

Page 1:



Monarch Watch

► Home  
► Help  
► Search  
► Order

# Migration & Tagging

MIGRATION  
& TAGGING

[Fall  
Migration](#)

[Overwintering  
Sites](#)

[Spring  
Migration](#)

[Tagging  
Monarchs](#)

[Tag  
Recoveries](#)

[Urquhart  
Data](#)



[Home](#)  
[Help](#)  
[Search](#)  
[Order](#)

Site by  
 Updated  
23-MAR-04

## Fall Migration Map

**The Fall Migration (September - November).** This figure is an interpretation of the routes taken by Monarchs during the Fall migration. The pathways are based on tag recoveries and observations of Migrating Monarchs. This graphic, together with its Spring counterpart, also appears on our "Fall and Spring Migration Patterns" large format poster.



[www.MonarchWatch.org](http://www.MonarchWatch.org)  
[monarch@ukans.edu](mailto:monarch@ukans.edu)

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Monarch Watch (888) TAGGING - or - (785) 864-4441

[monarch@ku.edu](mailto:monarch@ku.edu)

Figure 2.1.3

Page 2:

# Monarch Butterfly Migration Patterns

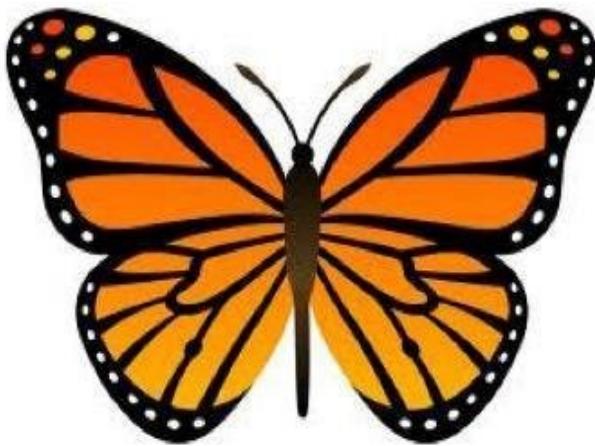


Figure 2.1.4

Obviously, Page 1 (Figure 2.1.3) provides more valuable content, because it actually has some content. Page 2 (Figure 2.1.4) has no content at all other than the phrase “Monarch Butterfly Migration Patterns” and an image of a butterfly. But Page 2 would show up before Page 1 because the search engine algorithms at this time only cared about how closely the words on the web page matched the person’s search words.

Enter Google in 1998. Google’s algorithm was a giant leap forward from previous algorithms, because it was based on both relevance (how well the search phrase matched content on the webpage) and popularity (how many other webpages link to the webpage and how reputable those linking pages are). Popularity serves as a reliable indicator of a page’s quality. The better a webpage, the more links it is likely to gather. By providing search results based on both relevance and popularity, the results of a Google search were both relevant and high quality, whereas results from the other search engines were often relevant but of no value. The measure of a webpage’s popularity was called PageRank, named for Larry Page, one of Google’s founders who helped create the algorithm while doing a PhD in computer science at Stanford. Today, Google makes up almost 70% of search engine market share.



# *Chapter 2 - Section 2 - Google Search Algorithm*

As previously stated, Google's search algorithm combined two key components to rank web pages: (1) the webpage's popularity, as measured by its PageRank (quantity and quality of links from other webpages) and (2) the relevance of the page to the search phrase. In this section, we describe both of these metrics as written by Larry Page and Sergei Brin in a white paper that can be found at <http://infolab.stanford.edu/~backrub/google.html>. Much has changed since this white paper was published in 1997, but as the saying goes, the more things change, the more they stay the same. Understanding Google's original search algorithm provides a great foundation for understanding the company's current algorithm, which, though very different from the original algorithm, is still based on much the same principles as the original.

It is important to note that Google (and other search engines) rank *webpages* and not *websites*. Most websites have multiple pages with a variety of content, so Google wants to send a searcher to the appropriate page, not just the homepage of a website that has a matching page somewhere in it. For example, if one searches for *clam chowder recipe*, Google's first result is <http://allrecipes.com/recipe/my-best-clam-chowder/>, not <http://allrecipes.com>. If Google took the searcher to the homepage, he/she would have to conduct another search to find the clam chowder recipe.

## **PageRank**

The actual PageRank formula is a bit more complicated than what is described here, but the description provided is still sufficiently technical to provide a thorough understanding of PageRank. To illustrate PageRank, consider a webpage, Page X, that has only three backlink; that is, 3 other webpages link to Page X: Page A, Page B, and Page C. Further, Page A has a total of 5 outbound links on the page (one of them being the link to Page X), Page C has only 1 outbound link (which links to Page X), and Page C has 100 outbound links (one of them being the link to Page X). The PageRank of Page X, or  $PR(X)$ , is calculated as follows:

$$PR(X) = PR(A)/5 + PR(B)/1 + PR(C)/100.$$

PageRank of Page X is taken by adding the PageRank of all webpages that link to Page X divided by the number of links coming from each of those pages. This calculation is illustrated below in Figure 2.2.1. Page A has a PageRank of 20, so its link passes 4 PageRank “points” to Page X, because its PageRank is divided by 5. Page B passes all 35 “points” of PageRank to Page X because its only outbound link is to Page X. Finally, Page C passes 1 of its 100 “points” of PageRank to Page X because its link to Page X is one of 100 links. PageRank considers every link to be an endorsement of the recipient webpage, which is why Page X receives only 4 points from Page A instead of 20. Page A endorsed 5 different websites, so Page X gets 1/5 of Page A’s endorsement.

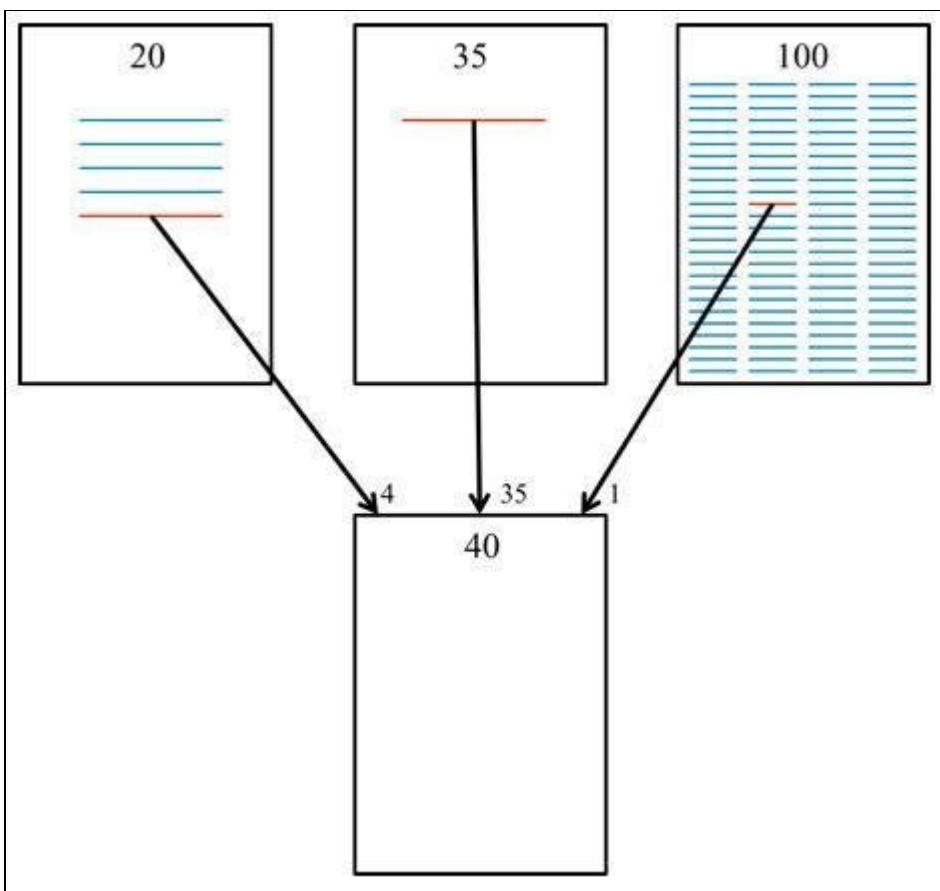


Figure 2.2.1

Note that PageRank is a circular metric. The PageRank of a page depends on the PageRank of the pages that link to it, which depends on the PageRank of the pages that link to *those* pages, which further depend on the PageRank of the pages that link to them, and so on. PageRank is calculated using an

iterative algorithm, the details of which are unimportant (for our purposes). What is important is that once the iterative algorithm is completed, we have the PageRank of every page on the internet.

PageRank is a good measure of webpage quality because web pages typically link to other pages they think provide valuable content. Both the quantity and quality of backlinks affects a webpage's PageRank. A webpage linked to from 20 different webpages is generally viewed (by Google's algorithm) as more valuable than a webpage with only 5 backlinks. Similarly, a webpage with a link from CNN.com is considered to be higher quality than if the page had only a link from a small local news website.

## Relevance

The purpose of a search engine is to return quality webpages relevant to the search phrase. So if a searcher types *buy Nike running shoes*, the goal of the search engine is to show the searcher good webpages that sell Nike running shoes. To ensure that each page is relevant to the searched phrase, a search engine needs to measure how closely the search phrase matches the content of the webpage. Search engines don't "read" webpages the same way humans do, so it can't "look" at a webpage to determine how relevant a search phrase is to a given webpage. Instead, search engines examine characteristics of the words on the webpage to get a measure of the content of the page and to measure how well the page matches a given search phrase.

For example, take a look at the webpage below, (Figure 2.2.2) which is a section of Page 1 from the previous section.



**Monarch Watch**

**Migration & Tagging**

[Home](#)  
[Help](#)  
[Search](#)  
[Order](#)

**MIGRATION & TAGGING**

- [Fall Migration](#)
- [Overwintering Sites](#)
- [Spring Migration](#)
- [Tagging Monarchs](#)
- [Tag Recoveries](#)
- [Urquhart Data](#)
- 
- [Home](#)
- [Help](#)
- [Search](#)
- [Order](#)

Site by [JPL](#), Updated 23-MAR-04

### Fall Migration Map

**The Fall Migration (September - November).** This figure is an interpretation of the routes taken by Monarchs during the Fall migration. The pathways are based on tag recoveries and observations of Migrating Monarchs. This graphic, together with its Spring counterpart, also appears on our "Fall and Spring Migration Patterns" large format poster.



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[www.MonarchWatch.org](http://www.MonarchWatch.org)  
[monarch@ukans.edu](mailto:monarch@ukans.edu)

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 Monarch Watch (888) TAGGING - or - (785) 864-4441  
[monarch@ku.edu](mailto:monarch@ku.edu)

Figure 2.2.2

A search engine can't "see" the picture to know what kind of value the picture is providing to users (although a good web developer will give the image a descriptive file name and alternative (ALT) text in the image code as a way to help search engines), nor does the search engine "read" the words in the same way we would. Instead, the search engine records information about the word usage on the page to measure the content focus of each page. In the case of this simple page on Monarch butterfly migration, Google records information about all 61 words on the page. Google uses the words,

their combinations, and location on the page to determine the page's relevance for a search term.

For example, if someone searches Google for the word *butterfly*, this page would receive a zero relevance score. Despite the fact that the page is about Monarch butterflies, we can see that the webpage never uses the word "butterfly," so Google gives the page no relevance. A search for *Monarch migration*, on the other hand, would yield a relatively high relevance score because the word "Monarch" is used twice on the page, whereas "migration" is used three times. The relevance score would be even higher if the page had used the phrase "*Monarch migration*" in exact order, because this would be considered a perfect match for the searched phrase. (Note: Today, Google's algorithm has become sufficiently advanced to know that a Monarch is a type of butterfly, so this page would no longer receive a zero relevance score for a search on the term *butterfly*.)

Google records various attributes of each word instance to get a highly nuanced picture of the content of a webpage. For example, it considers the font size (words in a relatively larger font receive greater weight) and position on the page (words closer to the top receive greater weight). Google also considers other features of a webpage to determine keyword relevance, including the page's URL, the page's title tag (the phrase at the top of the browser used to label the page), and the anchor text of other links pointing to the webpage. The anchor text of a link is the words an internet user can click to navigate to the URL of a link. This anchor text can be helpful (e.g., if a link to our example page used the anchor text, "Monarch butterflies") or not (e.g., if the link used the anchor text, "click here").

## Final Ranking

When a Google user enters a search phrase, Google finds all the webpages that have relevance to that search phrase. It then rank-orders these web pages based on both the relevance and the PageRank. Though the Google search algorithm has changed several times throughout its life, and continues to change regularly in a constant effort to improve search results, the algorithm is still based on this same framework of combining data on both the page's relevance and its popularity. Today, Google's algorithm reportedly uses over 200 different factors to judge a page's relevance and popularity to determine where it should rank for a given search. Google does not publicly release the details of all of these factors or their relative importance, but it does

publicize many aspects of the changes it has made to its algorithm over the years.

# *Chapter 2 - Section 3 - Google Updates*

## **Problems with PageRank**

Businesses gain visitors to their website in a variety of ways, such as direct traffic (internet users type the business's URL directly into their web browser), email traffic (recipients of the business's email click a link on the email that takes them to the website), and paid advertisement traffic (internet users click on a banner ad or text ad that directs them to the website), but for many companies, the largest potential source of traffic is from search engines. Ranking well on a commonly searched keyword or keyword phrase can yield hundreds or thousands of visitors per month, which can substantially increase profit from purchases, leads, or ad revenue. Thus, businesses have an incentive to do all they can to rank well for as many searches as possible.

Search engine optimization refers to any efforts at improving the search engine rankings of a website. These efforts are broadly classified into one of two areas: (1) on-site SEO, which typically entails changing the content of a website to increase relevance for particular keyword phrases, and (2) off-site SEO, which attracts backlinks to increase popularity. There are good, natural, Google-approved methods of conducting both on-site and off-site SEO (referred to as white-hat SEO), and manipulative, sneaky, Google-discouraged methods (referred to as black-hat SEO). Many of the Google updates have been aimed at giving better rankings to websites utilizing white-hat techniques and giving poor rankings to websites utilizing black-hat techniques.

One of the major problems with the original PageRank formula was that black-hat techniques could easily be used to artificially inflate a webpage's PageRank. For example, one could (and many people did) program a computer to automatically create thousands of webpages pointing to a particular target page. Other black-hat techniques to inflate PageRank included hacking other websites and hiding backlinks in the code or just purchasing links from other websites. Google wants their rankings to reflect the true quality of a website, not an artificially inflated popularity, so it continually adjusts its algorithm to fight against illicit practices of web designers to inflate their pages' popularity. For a thorough accounting of the

many updates to the algorithm, see <http://moz.com/google-algorithm-change>. In the following sections, we give a brief overview of the two largest algorithm updates: Panda and Penguin.

## Google Panda

Google Panda, named after a key engineer on the team that generated the update, was probably the most significant single update in Google's algorithm change history. Google ran several studies and focus groups with users to determine which characteristics make a webpage appealing. After collecting data from users on their liking for thousands of webpages, it ran computer-learning algorithms to generalize these characteristics. It then incorporated these scores into the algorithm and gave poor rankings to websites that had characteristics of unappealing websites. Below is a list of the major changes brought about by Panda.

- Penalty for heavy ad footprint. Panda heavily penalized webpages with lots of space dedicated to advertising (instead of content).
- Duplicate content. Google penalized pages that served content that was identical to content found elsewhere. Google's goal is to serve its users content from the original source, not several copies of the same content.
- Thin content. Google's focus groups found that users preferred pages with a greater quantity of content. So websites with little content received a penalty.
- Content freshness. The steady addition of new content to a website is a positive indicator of the site's quality, so it receives a rankings boost.
- Grammar. Google found that poor grammar was a reliable indicator of the quality of a website, so pages with lots of typos and grammatical errors lost rankings.
- Social signals. Though the influence of social media websites on webpages' rankings began before the Panda update, Panda further strengthened this influence.
- User behavior. If a Google user clicks on a webpage from the search engine results page (SERP) and then immediately hits the

“back” button, Google interprets this action as meaning the webpage did not provide relevant content for the user. If Google observes a lot of this behavior from its users, that webpage’s rank will go down.

- Outbound links. Traditionally, a webpage only received credit for the links that pointed to it. But the Panda update also gave credit to a webpage if it linked to reputable content, because this showed it was less likely to be engaged in manipulative practices.

Many of these changes hint at a larger trend in Google’s rankings—a webpage’s quality score is increasingly based on characteristics of the website itself rather than the characteristics of its backlinks. Recall that in Google’s original algorithm, PageRank, which was calculated from a page’s backlinks, measured a webpage’s popularity and served as the sole indicator of the page’s quality. Many of the quality signals the Panda update instituted or strengthened are based on characteristics of the webpage without factoring in backlinks. Although a page’s backlinks remain an important input into Google’s algorithm, Google has found that many reliable indicators of a webpage’s quality can be found on the webpage itself.

## Google Penguin

Google has always considered anchor text as a valuable third party indicator for the content of a webpage. But over time, Google saw that the anchor text for several websites was over-optimized. That is, for many websites, a high proportion of the backlinks utilized anchor text that perfectly targeted their desirable keywords. But the anchor text profile of more natural backlinks typically utilize a wide variety of words, many of them being non-descriptive text such as “click here” or “here.” Google found that websites with over-optimized anchor text were often manufacturing these backlinks (i.e. using black-hat techniques to generate these links). Therefore, Google Penguin penalized websites with over-optimized anchor text.

## Future Changes to Google’s Algorithm

As a result of Google’s constant efforts to display only high-quality webpages in its search results, many manipulative black-hat SEO techniques of previous years have been made completely obsolete. The resulting effect has been a drastic decrease in the prevalence of webspam—websites that earn traffic by manipulating the search engines despite providing little or no value to internet users. In fact, many webmasters spend much of their time

making sure that they do not accidentally violate Google's guidelines, which might result in the website receiving a penalty such as being left off search results for a few weeks or months. Indeed, many webmasters can find their websites being penalized for violating Google's policies when they were sincerely doing their best not to violate any such policies. For this reason, it makes sense for webmasters to pay close attention to Google's announcements about recommendations for webmasters to remain on Google's "good" list, which can be found at [Google Webmaster Central](#). Other useful information about updates to Google's search capabilities can be found at [Inside Search](#).

# Chapter 3 -

## On-Site SEO

Introduction

- 1 - Choosing Target Keyword Phrases
- 2 - Relevance
- 3 - Quality
- 4 - Other SEO Considerations

## Chapter 3 - Introduction

### Chapter 3 Learning Objectives

After reading this chapter, students should be able to:

- Identify the keywords that would be most worthwhile for a website to target in its search engine optimization efforts.
- Improve a webpage's relevance for a target keyword by suggesting specific changes to the webpage.
- Improve a website's likelihood of ranking for a set of keywords by suggesting changes that will improve the website's quality signals to search engines.
- Identify possible technical issues that could be impeding a website's rankings.

The previous chapter explained the basic functioning of a search engine. This chapter applies that knowledge to web design. By understanding how search engines produce their rankings, one can design a website to maximize its chances of ranking well for relevant searches. On-site search engine optimization (SEO) is the practice of designing both the content and structure of a website so that it will rank well (typically within the first 10 search result links, or on the first page of search results) on search phrases that are relevant to one's site.

Note that one's primary concern in web design should be for the users, not the search engine. One should first try to create a website that is valuable to users. Any changes made to the website for SEO purposes should not harm the user experience or attempt to deceive search engine crawlers. SEO practices are generally characterized as “white hat” or “black hat” (or somewhere in between). White-hat SEO practices are those condoned by search engines and include things like keyword-optimized content, good site architecture, and internal linking, natural link building, and so on. Anything

designed to intentionally (and sometimes unethically) manipulate a webpage's rankings could be considered "black hat" and has historically included practices such as hiding extra keywords in white text on the page, using computer-automated spam to build links, buying links specifically for their SEO value, and so forth. One major reason Google updates its algorithm so frequently is to ensure that black-hat practices do not produce good rankings. Google has also been known to manually penalize websites for particularly egregious or public offenses, either by dropping that website's ranking or completely removing the site from its index. It is much easier to get penalized than to recover from a penalty, so black-hat strategies are best avoided entirely.

Recall that the last chapter explained that search engine rankings are based on a combination of the webpage's popularity (which serves as a proxy for the page's quality) and its relevance to the search phrase. In Google's original algorithm, a webpage's popularity was determined entirely by external links coming to the page. As a result, on-site optimization at that time was entirely focused on ensuring high relevance to target search phrases. However, as a result of its many updates, Google's algorithm now measures the quality of a webpage by looking directly at the webpage (in addition to external link characteristics), so on-site SEO must be done to boost both the webpage's relevance and its quality to the search engine. The first step in on-site optimization is determining which keyword phrases would be best for the website to rank for (or for the website to improve its current rankings), so this chapter begins with this selection process. We then examine on-site SEO techniques to increase a website's relevance to those chosen keyword phrases. We then proceed to on-site SEO practices for the purposes of improving search engines' measure of a website's quality. This chapter concludes with technical considerations of web design for SEO purposes.

# *Chapter 3 - Section 1 - Choosing Target Keyword Phrases*

## **Optimal Keyword Targeting**

The most nonsensical thing that can be said (and is often said) about a webpage is that “it ranks #1 on Google.” No webpage ranks #1 on Google—a webpage can only rank #1 *for a particular keyword search*. And ranking #1 for a particular search might be great or it might be worthless depending on whether lots of people are regularly doing that search on Google. Therefore, the first step in on-site SEO is to determine the search phrases for which one wishes to earn a high rank. The process of choosing target keyword phrases differs for existing versus new websites. An existing website will choose keyword phrases for which it wishes to improve its current ranking. A new website will choose a set of keyword phrases for which it would like to eventually earn a first-page ranking. Regardless of whether the website is new or existing, however, the principles underlying the selection of target keyword phrases are the same. In both cases, the selection of target keyword phrases for on-site SEO should be based on three factors: (1) relevance, (2) traffic, and (3) competition. For existing websites, we add a fourth factor: (4) current ranking.

**Relevance.** It should be obvious that a website that sells watches should not try to rank for the search phrase *running shoes*. Relevance is the most important consideration in choosing target keyword phrases. Whether a search phrase is relevant to our website should be determined by the searcher’s intent, not the terminology. For example, consider a company that makes and installs *pergolas* (wooden structures often installed over Jacuzzis and patios to beautify outdoor areas and provide shade). The company would consider a search term like *custom pergola* to be highly relevant, because in the vast majority of cases, when people search for this term, they’re likely expecting to find a company website just like this one, so the pergola company wants to rank well for that term. A more generic term like *pergola* is good, but it isn’t as relevant because although the individual may be looking to buy a pergola, he/she may just be interested in learning about them, seeing examples, and so on. The overall proportion of searchers with “commercial intent” is usually lower with more generic keywords. A term like *pergola kit* would be even

less relevant, because it suggests the searcher is interested in constructing and installing the pergola himself/herself. What about a term

like *gazebo*? Gazebos are different from pergolas, but if a searcher doesn't know the word *pergola*, he/she may search for *gazebo* instead.

So *gazebo* might be a relevant keyword (though further research would be required to verify this). On the other hand, a keyword like *Jacuzzi gazebo* is more specific, highly relevant to the pergola company's business, and one for which it would want to rank well.

**Traffic.** Keyword relevance has to be balanced with keyword search demand. There is no benefit to ranking for a search phrase that no one searches. All else being equal, a website should target search phrases with a higher level of search traffic. Many tools exist for estimating the search volume of various phrases. Google's [Keyword Planner](#) is one reliable tool. It provides an estimate of the monthly search volume of a given search phrase and related search phrases, as illustrated in Figure 3.1.1 below.

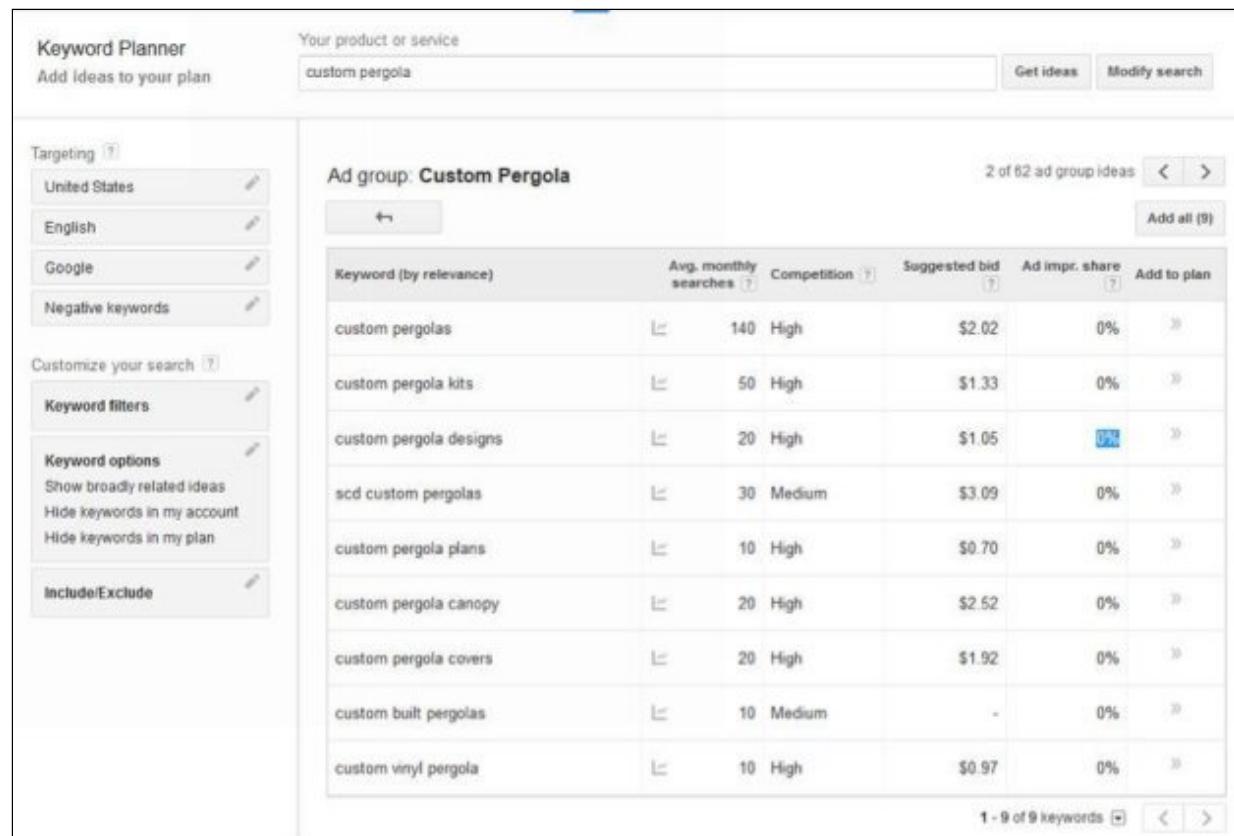


Figure 3.1.1

**Competition.** If hundreds of websites are already targeting a particular search phrase, a new website may never have success ranking for that phrase,

particularly if some of those websites are behemoths like Amazon.com or Overstock.com. A good way to estimate competition is to just search for a keyword phrase and see (1) which websites show up and (2) whether the links to those websites (the page title tag) are optimized perfectly for the keyword (a webpage that is “perfectly optimized” for a multi-word phrase would have the phrase in its exact word order). A small website is more likely to have success targeting long tail keyword phrases with lower competition like *gold Rolex watch* rather than the fat head keyword *watches*, which is very competitive. (Long tail keywords are multi-word phrases that are extended or more specific versions of a core fat head term. *Earrings* is a fat head term with higher search volume, whereas *sterling silver earrings*, *gold earrings online*, or *what is the best way to clean earrings* are all examples of long tail keyword terms. We will return to the principle of the long tail in the chapter on Paid Search Marketing.) Of course, long tail keywords typically have lower search volume, but they are often more relevant and easier to rank for than more generic terms. An additional benefit to targeting long tail terms is that one webpage can rank well for multiple long tail terms when the words are similar. In combination, multiple long tail terms can add up to a significant amount of traffic and drive worthwhile revenues.

**Current Ranking.** Brand new websites do not rank for any keywords, so a company can ignore this last factor when choosing target keywords. But existing websites are typically striving continuously for better rankings, so they need to invest their SEO efforts into keywords and keyword phrases that are likely to have the largest impact. Consider a website that currently ranks for five search phrases, and their rankings for those five search phrases are 1, 3, 14, 25, and 157. We would expect that almost all of their organic search traffic is coming from the first two phrases, and they are receiving almost no search traffic from the last three keyword phrases. On which keyword should they work to improve their ranking? If they work to improve the ranking of the last keyword, they might improve from rank 157 to 87, which would be a large improvement, but they still would receive no traffic from that keyword. But if they focus on the third keyword, and improve their ranking from 14 to 9, they would be on the first page of search results and they would see a drastic increase in search traffic from this term.

## Mapping Keywords to Pages

Recall that search engines calculate relevance of a keyword phrase to a *webpage* and not to a *website*. They do so because search engines display webpages, not websites, in the search results. Once a company has determined its list of target keyword phrases, it needs to match each keyword phrase to a page within its website. This may also mean creating new pages for specific keyword phrases. In general, it wants to match broader keyword phrases with higher-level webpages (homepage or category pages) and more specific keyword phrases with lower-level webpages (subcategory pages or product pages).

For example, consider a jewelry craftsperson who sells handmade earrings from her website. Consider that her list of target keyword phrases includes (among others): *handmade earrings*, *hoop earrings*, *stud earrings*, *drop earrings*, *silver drop earrings*, and *pearl drop earrings*. Most likely, she would map *handmade earrings* to her homepage; *hoop earrings* would map to a category page that would display her inventory of hoop earrings (or allow further navigation to more specific sets of hoop earrings); *drop earrings* would map to a category page that would display drop earrings; *silver drop earrings* and *pearl drop earrings* would map to a subcategory page that displayed her selection of silver and pearl drop earrings, respectively, as illustrated in Figure 3.1.2 below. In determining to map *handmade earrings* to her homepage, she is attempting to ensure that search engines will give the homepage the highest relevance score for *handmade earrings* relative to any other keyword phrase. Likewise, when she maps *drop earrings* to the drop earrings category page, she would ensure that *drop earrings* is the keyword phrase the search engines find most relevant for that page.

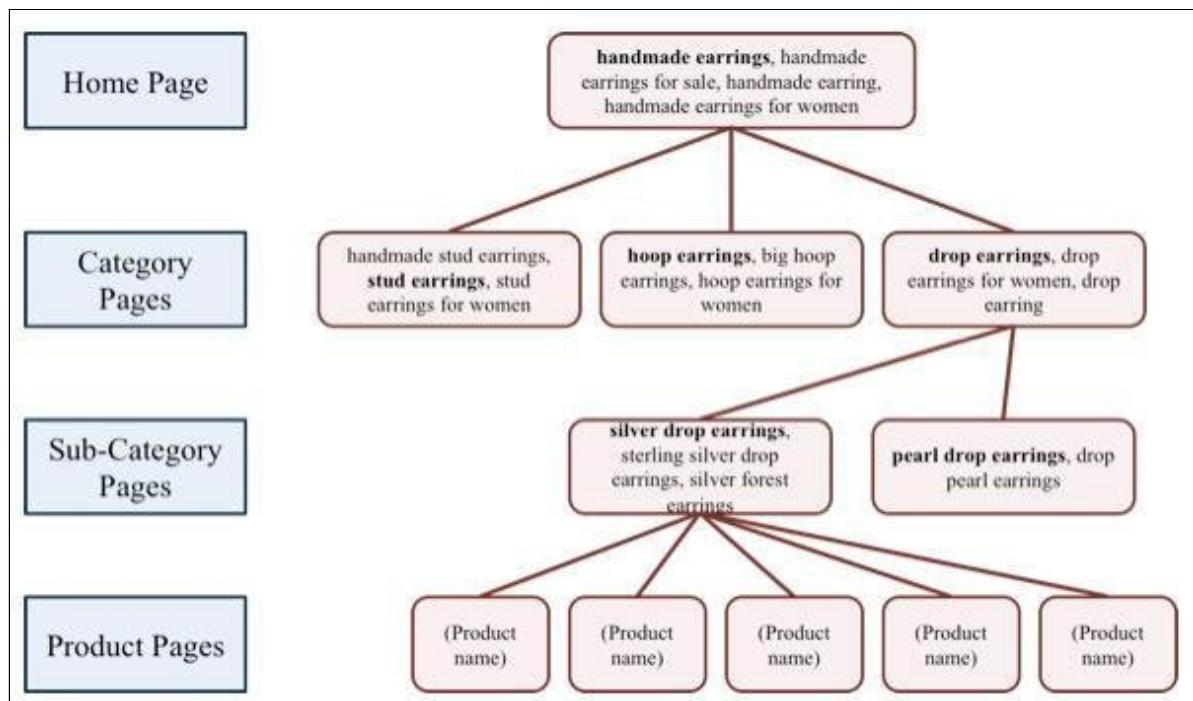


Figure 3.1.2

Mapping individual keyword phrases to individual pages is important for three reasons. First, performing this mapping reminds the site developers which keywords need to be incorporated into the page content, thereby encouraging them to ensure that the page receives a high relevance score for that keyword phrase. Second, by clearly mapping different keyword phrases to different pages, the developer ensures that the right webpage is displayed for the right search. If someone searches *drop earrings*, for example, the jewelry craftsperson would not want her homepage to be displayed in the search engine results page, because searchers would be more likely to find what they want if the link took them directly to the drop earrings category page. Third, keyword mapping can ensure a website isn't accidentally optimizing multiple pages for the same keyword (keyword cannibalization).

## *Chapter 3 - Section 2 - Relevance*

Once a website has mapped a keyword phrase to a page, it must now create that page so that the search engine gives that page a high relevance score for that keyword phrase. The site does so by using that keyword phrase in various locations on the page that the search algorithm uses to calculate a keyword phrase's relevance to the page. Recall that a search algorithm calculates a webpage's relevance to various terms by recording instances of the use of that term within the page. Some of these uses matter more than others in relevance calculations, so a website especially wants to ensure that it has used its target keyword phrase in these locations.

**URL.** Words in the URL receive heavy weighting in the calculation of relevance, so the target keyword phrase should be in the URL. For example, if the website was <http://www.janeshandmadeearrings.com>, and if the owner chose the keyword phrase *drop earrings* for a category page showing drop earrings, the URL for this page should be

<http://www.janeshandmadeearrings.com/Drop-Earrings.html>. If she mapped the keyword phrase *silver drop earrings* to a subcategory page, the URL for that subcategory page should be

<http://www.janeshandmadeearrings.com/Drop-Earrings/Silver-Drop-Earrings.html>.

**Title Tag.** The title tag of a webpage shows up at the top of a browser when one navigates to that page. For example, if one goes to Overstock.com, the top of the browser will display “Overstock.com: Online Shopping – Bedding, Furniture, Electronics, Jewelry, Clothing & more.” For the bedroom furniture subcategory page, the title tag is “Bedroom Furniture | Overstock.com: Buy Mattresses, Beds, & Dressers Online.” Along with the URL, the title tag receives heavy weighting in calculating relevance, so a webpage should have the target keyword phrase in its title tag. Typically, the keyword phrase should be the first thing in the title tag, followed by the brand name, as Overstock has done in the bedroom furniture subcategory page. However, websites with a recognizable brand may wish to put their brand name first, followed by the target keyword phrase, as in Overstock’s homepage. Standard practice is to use separators like a pipe text (the ‘|’ symbol) or a colon to separate the brand name from the keyword phrase.

Keep in mind that the title tag is cut off after 67 characters when displayed in search results and words after that limit aren't likely to help contribute to page relevance and rankings, so title tags should be kept under that length.

**Header Tags.** Within the html code of a website, header tags (`<h1>` and `</h1>` or `<h2>` and `</h2>`, etc.) surround the word or phrase that gives a title or label to sections of the webpage. (The `<h1>` tag is the largest header; the `<h2>` tag is the second-largest header, etc.) The words inside a header tag receive more weight in the relevance calculation, so the target keyword phrase should be in the header 1 tag. Subsections of a webpage should be given smaller header tags (`<h2>` tags or `<h3>` tags if needed). Using header tags has the dual benefit of making a website's content more easily browsed by users and giving search engines stronger clues as to the topic of its content.

**Main Content.** Search engines code up every word instance on a webpage to determine what the webpage is about. Therefore, a website wants to use its target keyword phrase several times in the main content of the page.

However, it needs to be strategic about using it. First, the phrase should only be used when it makes sense to the user. If the language on a website becomes stilted from overuse of a keyword phrase, the company has negatively affected its website user experience. Second, inserting the keyword phrase too often is known as "keyword stuffing," which is a black-hat SEO tactic and one that is not effective, because search engines can easily guard against this practice. A good rule of thumb is to make the keyword phrase be 3% to 5% of the word count on the page, and pages should have at least 100 words of text.

**Image Alt Text and File Name.** Search engines cannot "see" images, so unless they are properly labeled, the search engine has no idea what the content of an image on a page is. Alternative text (alt text) is a label or tag that indicates the content of the image. In addition to providing a description of the image, alt text also communicates information to web browsers for the visually impaired or browsers that have images deactivated. Both the alt text and the file name should describe the image and incorporate keywords where naturally appropriate. Optimized images help search engines understand the content focus of the page, but also help the images rank well by themselves within image search, which can drive additional traffic.

**Anchor Text.** A search engine uses the anchor text from external links as an objective, third-party description of a webpage. The same principle applies

to links from one page to another within the same website. When linking from one page to another within the website, developers should use the linked-to page's target keyword phrase as the anchor text of that link. A site should use several links among its pages, both for SEO purposes as well as increased navigability for users.

These six areas of optimization can be used as a checklist when designing a website. If the target keyword phrase has been properly incorporated in all six of these areas, a company can rest assured that a search engine will consider its webpage highly relevant for that keyword phrase. On-site optimization does not end with achieving high relevance for selected keyword phrases. Several aspects of a website provide signals to the search engines about the quality of the content. The next section discusses these issues.

## *Chapter 3 - Section 3 - Quality*

In the early days of Google, PageRank was the only indicator of the quality of a website. This has changed dramatically. A large portion of a search engine's measure of a website's quality is determined by attributes of the website itself. As a result, on-site SEO involves other actions aimed at improving search engines' measure of a website's quality.

**High Click-Through Rate from Search Engine Results Page (SERP).** Search engines keep very detailed data about the search behavior of their users. One piece of information they know with great precision is the percentage of users who are likely to click each position's link for a given search. If a webpage earns a higher proportion of clicks than would be expected for a page in that position, the search engine might give it a better ranking. For example, a Google search on the word *lucky* includes, among other results, merriam-webster.com (the definition of lucky) and luckybrand.com (the jeans company). If merriam-webster.com were ranked just above luckybrand.com, but more searchers clicked the link to luckybrand.com, Google might bump luckybrand.com ahead of merriam-webster.com. A website can influence its page's click-through rate through (1) the title tag, (2) the meta description, and (3) the choice of URL. Each of these is displayed on the SERP, as illustrated in Figure 3.3.1 below.

The screenshot shows two search results for the query "lucky".  
1. The first result is for "Lucky Brand: Jeans, Men's & Women's Clothing & Designer ...". It includes the URL [www.luckybrand.com/](http://www.luckybrand.com/), a snippet showing "Lucky Brand Jeans", and a meta description: "Shop for designer jeans, men's and women's clothing and more at the official **Lucky** Brand online store. FREE SHIPPING EVERYDAY!"  
2. The second result is for "Lucky - Definition and More from the Free Merriam-Webster ...". It includes the URL [www.merriam-webster.com/dictionary/lucky](http://www.merriam-webster.com/dictionary/lucky), a snippet showing "Merriam-Webster", and a meta description: "having good **luck**. : producing a good result by chance : resulting from good **luck**. **luck** i-erluck i-est. Full Definition of LUCKY. 1. : having good **luck**. 2. : happening ...".

Figure 3.3.1

A good title tag should identify the brand of the website and use the target keyword. On the SERP, the user's searched-for phrase is shown in bold, so using the target keyword in the title tag will cause part of the title to be bolded, which should increase click-throughs. As the illustration shows, "Lucky" is bolded because it was the searched-for term. The meta

description should clearly and accurately describe the content of the page, so users can identify whether the page will provide the content they seek. Both the meta description and the title should fall within the character limits for the SERP (about 67 characters for titles and about 155 characters for meta descriptions) so that users see the full title and meta description rather than incomplete statements. Both of the above results had title tags that were too long, but luckybrand.com had a short-enough meta description to fit within the limit.

**Low Bounce Rate from Landing Page.** If a user on a search engine clicks on a webpage but then very quickly clicks the "back" button, this action is called a bounce. A bounce clearly signals to the search engine that the webpage did not provide the sought-for information. Search engines also keep very detailed data on the percentage of bounces they expect to receive. If a larger-than-expected share of users who navigate to a site bounce back to the SERP, Google will likely give the site a lower ranking because users are not finding its content valuable. An accurate title and meta description should help keep a page's bounce rate low. Companies can also keep their bounce rate low by making sure their content is well written and relevant to the target search term.

**Short Load Times.** Searchers have a short attention span. Once they click on a page on the SERP, they expect to see the content almost immediately. If a website takes even a few seconds to load, users are likely to become frustrated. Search engines measure load times for pages on a website, and will provide lower rankings to websites with long load times. If a website has long load times, its developer needs to diagnose the problem and consider how to effectively decrease load times. Tactical examples may include getting dedicated hosting, compressing images, removing bloated code or plugins, hosting images off-site, and so on. Monitoring tools like [Pingdom](#) can diagnose a website's technical problems.

**Good Grammar and Spelling.** A high-quality website is not likely to contain a large number of grammar and spelling errors, whereas a low-quality spam website is likely to contain many such errors. Removing grammar and spelling errors will increase a webpage's quality, both with users and with the search engine.

**Fresh Content.** Active, reputable companies typically want to provide their customers with important news. They can do this through a press section or

through a company blog. Regular updates to these sections of a website are a positive signal to the search engines that the website belongs to an active, reputable company.

**Quantity Content.** In general, search engine users are more likely to find valuable information on a website with lots of content rather than a website with limited content. This quantity includes both the numbers of pages within the website as well as the amount of content on a given page. Every page should have at least 100 words of content.

**Original Content.** A search engine's goal is to provide its users with a good match somewhere within the first SERP. If 6 of those 10 webpages have the same exact content formatted a different way, the likelihood of searchers finding a good match has dropped significantly, because now there are effectively only 5 results on the SERP instead of 10. For this reason, search engines punish websites that contain duplicate content. If multiple versions of the same content are on multiple URLs within a website (there are several legitimate reasons why this might be the case), using the *rel="canonical"* tag on the page code designates the original version of the content. This tag tells the search engine which version of the page is the original version and should be ranked above other versions. Another common case of duplicate content occurs when a site uses content that was originally found on another website (e.g., when an e-commerce site uses the product description provided by the manufacturer). This nearly guarantees that the page won't rank organically. Unique content will increase the likelihood of a good ranking.

**Limited Ad Space.** Nobody watches TV for the commercials. Even more so, nobody goes online to see banner ads. A website with a large ad footprint is less valuable to users than a website with few ads, so search engines will not rank a website high if it has more ad space than content space. This does not mean a website cannot display ads at all—media sites depend on ads for the entirety of their revenue. It only means the space devoted to advertising should be kept to a reasonable level.

## *Chapter 3 - Section 4 - Other SEO Considerations*

Once a company has optimized its website so that search engines know it provides good content (is high quality) for a particular set of search phrases (relevance), it can expect its rankings to improve for those search phrases. However, sometimes other issues can prevent a website from receiving a good search ranking even when it has optimized for relevance and quality. Such problems most typically result from the search engine's crawlers not properly indexing the pages within a website. Below is a list of issues that often cause such problems.

**Insufficient Internal Linking.** Search engines discover the content on a website by following links to other pages. If any of the pages within a site have no inbound links from other pages on the site, the search engines have no way to find those pages.

**Deep Organizational Structure.** Search engine crawlers must continually crawl and update information about billions of webpages. They must allocate their crawlers' bandwidth across these pages based on a number of factors, including frequency of content change and likelihood of the page ranking on high-volume searches. A search engine likely will not bother to crawl a page that is more than four levels deep in a site, because it is unlikely to ever rank for a search of any significant volume. Thus, a website should be organized hierarchically with no more than four levels of content. For example, a retail site may be organized into the following four levels: Home page > Category pages > Sub-category pages > Product pages. Ultimately, however, what's more important than the depth of the site's hierarchy is the number of clicks it takes to reach that page from the homepage.

**Flash.** For many years, Google and other search engines were unable to index a site that was created in Flash. Search engines have now developed the capacity to index the text content within Flash files, but it is still a good idea for a company to create its website in a more search engine-friendly format. Any images, rich media content, or videos on the site should also be available in text format for the search engines to understand the content on the page.

**iFrames.** Search engines often cannot crawl content provided through iFrames, so it is best not to use them at all.

**Punishment for Past Crimes.** Any website that has engaged in black-hat SEO practices will typically be punished with poor rankings or will be completely removed from SERPs. These punishments, however, should be temporary. If a website receives such punishment, it should fix the problem immediately to comply with Google Webmaster Guidelines. A website can work with Google directly through a formal reconsideration request whereby the company documents the steps taken to eliminate bad practices. It's better, however, to avoid getting into this situation altogether.

**Dirty Sitemaps.** An XML sitemap provides a technical map of a website to the search engine crawlers, which helps them index the site properly. If this sitemap contains broken links or other errors, instead of helping the search engine index the site properly, the company is now communicating to the search engine that its website is improperly managed (bad) or not trustworthy (worse).

# **Chapter 4 -**

## **Off-Site SEO**

Introduction

- 1 - Links
- 2 - Popularity Metrics
- 3 - Link Building

## Chapter 4 - Introduction

### Chapter 4 Learning Objectives

After reading this chapter, students should be able to:

- Identify the various type of links found on a webpage.
- Determine the weaknesses in a website's link profile that is preventing it from ranking well on relevant searches.
- Create and implement a plan to earn high quality links from external sources to improve a website's search engine rankings on relevant searches.

As mentioned previously, search engines rank webpages based on both their relevance to the searched phrase and their popularity, which is an indicator of the page's quality. Chapter 3 explained how to optimize the content and structure of the pages on a site to maximize their relevance to given searches and to improve quality signals to the search engines. This chapter teaches techniques for improving the popularity of a company's website pages.

Just as someone's popularity within a social circle is determined by what others think of her (and not what she thinks of herself), a webpage's popularity is determined by other webpages. If lots of other webpages link to a particular webpage, such links serve as a signal that this page is popular (and therefore is likely to have high-quality content). Of course, the sheer number of pages linking to a page is not the only signal of popularity search engines use. This chapter discusses the various signals of popularity search engines use, and provides several techniques a webmaster can use to try to increase the popularity of the pages on her website.

Similar to on-site search engine optimization (SEO) techniques, off-site optimization techniques aimed at improving a website's popularity can be classified as white hat and black hat (or somewhere in between). Whereas certain black-hat techniques may provide a temporary improvement in rankings, they are unlikely to benefit a website long term, because search engines are better than ever at detecting practices that violate their guidelines

and are becoming increasingly liberal in doling out punishments to sites they believe are using black-hat optimization strategies. This chapter focuses on white-hat strategies for improving a website's popularity, but it also provides some general knowledge about how to avoid black-hat strategies.

In off-site SEO, as in most aspects of life, there is no substitute for hard work. Optimizing a website to rank in search results may be considered an art and a science, but it is definitely not magic. Off-site SEO success will only come after multiple, successful, repeated wins in online marketing efforts that generate inbound links to your site from other reputable sites.

## *Chapter 4 - Section 1 - Links*

The next two sections discuss link profiles and link-building tactics in detail, but this section first provides some technical details about links. Any time a user clicks from one page to a different page online, he has clicked on a link. Links can be text based or image based.

Links are created using hyper text markup language (HTML), the basic programming language that powers webpages on the internet. Today, most website-building programs have interfaces that allow one to easily select text and turn it into a link without the need to type out the specific HTML code. Still, seeing the code is helpful for understanding the structure of a link.

Below, in Figure 4.1.1., is an example link using HTML code provided by [W3Schools.com](http://www.w3schools.com).

### **Example**

```
<a href="http://www.w3schools.com/">Visit W3Schools</a>
```

which will display like this: [Visit W3Schools](http://www.w3schools.com/)

Clicking on this hyperlink will send the user to W3Schools' homepage.

**Tip:** The "Link text" doesn't have to be text. It can be an image or any other HTML element.

Figure 4.1.1

The article from Entrepreneur.com below, in Figure 4.1.2, shows various uses of links on a webpage.

## Uber, Lyft Expand Insurance to Cover Drivers Between Rides



BY NINA ZIPKIN | 28 minutes ago | [Post Comment](#)

[Clip it](#)



As peer-to-peer ridesharing services Uber and Lyft continue to grow, so do questions about their liability – which is why the companies are taking new steps to make sure their drivers are protected.

Lyft, whose drivers are recognizable by the pink mustaches affixed to the front of their vehicles, announced this week that it will now provide insurance protection for drivers who are available to give rides but haven't picked up any passengers. Until now, there were uncertainties about whether drivers were covered if they were active but didn't have passengers. Lyft, which is also in the process of raising \$150 million in Series D funding, plans to roll out the new policy state by state.

Related: [4 Hot Tech Startups to Watch in 2014](#)



Image credit: [blog.lyft.com](#)

Uber is making a similar move for drivers in its UberX service, which competes with Lyft. A statement on the company's blog explained that, as of today, an UberX driver is covered so long as the app is live and the driver is free to offer a ride. However, this policy will go into effect only

The advertisement features a large globe graphic against a red background. At the top, it says "T-Mobile" and "The Simple Choice for Business plan". Below that, it lists "Unlimited global data", "100+ countries", and "No extra charge". At the bottom, it has a call-to-action button with "T-Mobile.com/businessunlimited" and a small fine print note about qualifying service & speeds.

Figure 4.1.2

**Natural Outbound Links.** Some of the links on the article are outlined in green. These links are natural, or organic, outbound links in that they are relevant and fit naturally into the article. They are citations the author uses for the reader's reference. Search engines favor these natural links. The goal in off-site SEO is to have as many reputable websites as possible link to one's website in this manner. The clickable blue words that make up each link are called "anchor text."

Search engines consider links to a site an endorsement. The search engine infers that the webmaster created that link because he believes the linked-to site has valuable content. However, a webmaster may wish to link to another website but simultaneously instruct search engines that this link is not an endorsement. For example, if a blog owner allows readers to post comments, some readers may post links back to their own websites. The blog owner therefore might want to instruct search engines not to count these linked-to websites as endorsements. To do this, the blog designer can simply add an html attribute called "nofollow." (Most blog platforms do this automatically to comments.) Below is an example from [W3Schools.com](#).

## Example

A link with a rel attribute:

```
| <a rel="nofollow" href="http://www.functravel.com/">Cheap Flights</a>
```

Figure 4.1.3

By default, links without the "nofollow" attribute are "dofollow" links, meaning they instruct search engines to follow those links and pass authority to the linked-to page. For SEO purposes, webmasters are concerned primarily with dofollow links, but both types of links can still send relevant traffic to a website.

**Paid Links.** The ad on the right of Figure 4.1.2 is outlined in blue. This ad links back to T-Mobile's website, but it is a paid-for link, so it should not be credited as a natural, endorsed link. Therefore, this image link will need a nofollow attribute attached.

**Natural Internal Links.** The links outlined in orange are internal links. These links take the site visitor elsewhere in the site. Having links from one page of your site to another is recommended. For site navigation purposes and user experience, these types of links are helpful. Also, search engine bots follow these links to find new content and to see what content is on the other page. Posting these links can help search engines and visitors discover your new content.

## *Chapter 4 - Section 2 - Popularity Metrics*

Chapter 2 discussed PageRank, Google's original algorithm for measuring a webpage's popularity. PageRank was a simple and intuitive popularity measure, but it had one fatal flaw—it was easy to manipulate. When PageRank was the sole measure of popularity, many webpages successfully improved their rankings through blatant black-hat SEO techniques such as creating thousands of spam websites all linking to one another, thereby creating thousands of well-ranking and worthless webpages. As a result, over time, Google and other search engines added several other metrics to their algorithm for measuring the popularity of webpages. Eventually, Google dropped PageRank altogether from its algorithm, and search engines now measure popularity through a host of different metrics.

To prevent gaming of their algorithms, search engines do not provide the details of their algorithm. So how do we know what metrics search engines now use to measure popularity? Three general sources provide useful information. First, the search engines themselves provide some general guidelines as to how popularity is measured (though they of course do not provide details). For example, Matt Cutts, Google's head of web spam, posts frequent updates about changes to Google's algorithm at his blog, <http://www.mattcutts.com/blog/>. A second source of information about search algorithms' ranking factors comes from career SEOs, people whose jobs center on improving the rankings of their clients' websites. Through observation and some experimentation, these SEO experts are able to glean some valuable information about the relative importance of various factors in the search engines' ranking algorithms. Of course, these SEO experts disagree on the details, but as a group they can provide reliable insights into ranking factors. A third source of information about ranking factors comes from correlational data. By comparing the rankings of millions of websites with their attributes, one can find which website attributes are most correlated with ranking success.

Displayed below are examples of the second and third sources of information about ranking factors. Every two years, Moz.com provides the results of a survey of SEO experts on the relative importance of various factors in search

engine rankings (<http://moz.com/search-ranking-factors/survey>). Figure 4.2.1 shows one graph from this expert survey. Figure 4.2.2 presents a graph of correlational data taken from <http://www.searchmetrics.com/en/knowledge-base/ranking-factors-us-2013/>.

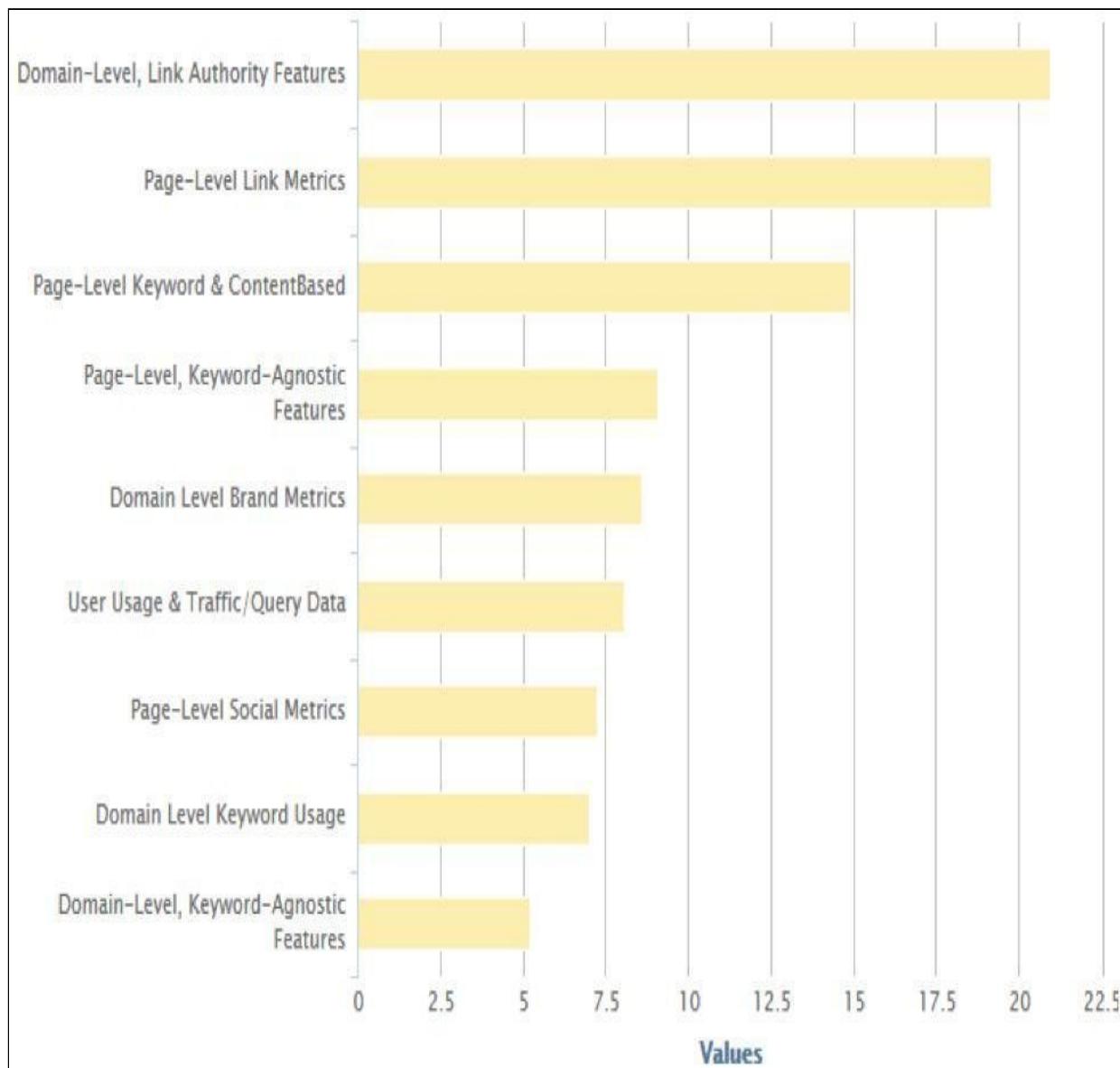


Figure 4.2.1

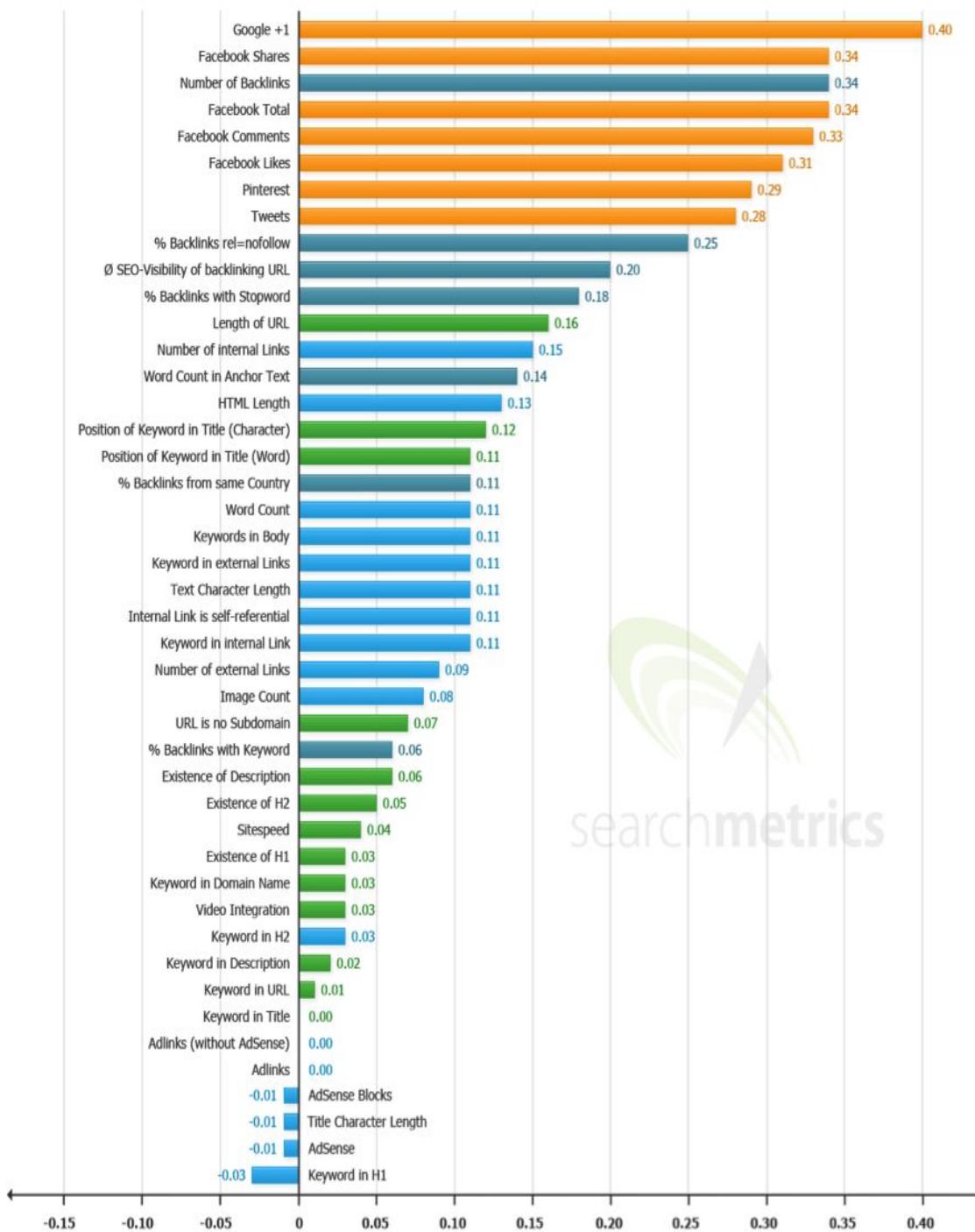


Figure 4.2.2

Although these resources are both valuable, and ones worth bookmarking for later consultation, verifying the reliability of each piece of information is impossible. Instead, one should consider this information as a good general guideline without putting too much stock in the details. Fortunately, a good general guideline is all that is necessary to enable one to know what actions will benefit a website’s rankings. This section discusses the various metrics search engines use to determine a webpage’s popularity.

## Link Profile

Search engines determine the popularity of a webpage by examining that page’s backlinks—links from external sources pointing to that webpage. This list of backlinks makes up what is known as that page’s link profile. From this link profile, search engines calculate a webpage’s popularity. The total number of backlinks is an important metric in determining popularity, but it is merely one of several metrics a search engine considers when measuring a webpage’s popularity.

Recall that chapter 2 explained that search engines rank *webpages* and not *websites*. For example, a search for “men’s clothing” returns the men’s clothing *pages* within the *sites* for Overstock and H&M. As a result, one may infer that what matters in measuring popularity is the *page*’s link profile and not the *site*’s link profile, but this inference is incorrect. Continuing with the example of the search for “men’s clothing,” the top-ranked result is <http://www.overstock.com/Clothing-Shoes/Mens-Clothing/26/dept.html>, which has just over 100 backlinks, whereas the second-ranked result is <https://www.hm.com/us/department/MEN>, which has well over 400 backlinks. Why does the overstock.com page outrank the hm.com page when it has fewer backlinks? The likely reason is that the overstock.com domain (the whole website) has 2.4 million backlinks, whereas the hm.com domain has only 1.5 million backlinks.

Referring back to the results of Moz.com’s survey of SEO experts, note that “Domain-Level, Link Authority Features” is roughly equal in importance to “Page-Level Link Metrics” in determining ranking. Search engines measure popularity from both the page’s link profile as well as the link profile of the entire domain. The downside of this fact is that it complicates the task of determining how to improve rankings. The upside is that link-building activities for any pages of a site can benefit all the pages of that site.

## Popularity Metrics

Search engines use several metrics, listed below, to determine a webpage's popularity. Though determining the precise importance of each of these metrics is impossible, they are listed in decreasing order of overall importance according to the latest thinking by SEO experts.

### 1. Total number of backlinks

All else being equal, the more people who like you, the more popular you are. In the same vein, the more webpages that cite a webpage, the more popular the search engines consider that page to be.

#### 1. Backlinks from related/relevant websites

Not all endorsements have the same value. Expertise matters. If a page has a number of backlinks from pages with a similar topic, these backlinks matter more because they are considered expert endorsements.

#### 1. Anchor text

Anchor text has decreased in importance over time, but it still matters. Many backlinks use anchor text that indicates the topic of the link. For example, "Here's a great site on [fly-fishing](#)." If the anchor text of the backlinks to a page uses relevant keywords, the value of these endorsements increases. One important caveat, however, is that with the Penguin update, Google penalizes websites with unnatural backlink profiles. For example, 80% of the backlinks to fly-fishing websites might use the company name or website as the anchor text, whereas 20% of backlinks might use keywords (such as "fly-fishing") in the anchor text. If 95% of the backlinks to one particular fly-fishing website use keywords in the anchor text, a search engine is likely to assume deliberate manipulation is occurring.

#### 1. Link neighborhood

Spam websites typically have lots of backlinks from other spam websites and links going to other spam websites. By linking only to reputable websites and receiving backlinks from reputable domains, a website can avoid being classified as a spam.

## 1. Link freshness

A high-quality website will continue to receive new backlinks. If a page stops generating new backlinks, the search engine assumes the page's content is no longer relevant or valuable to people.

## 1. Link diversity

Search engines want to see evidence that a page's backlinks are the result of various webmasters independently endorsing the page, in which case, a page's backlinks are likely to come from a variety of different domains with different IP addresses. Thus, link diversity enhances the page's popularity. One metric that correlates highly with good search engine rankings is the number of unique linking root domains (number of unique websites that link to a site).

## 1. Social sharing

Search engines recognize that if people are posting links to a website on their social network profile, it has worthwhile content and deserves to rank well for relevant searches. As a result, people posting links to a website on social media can positively affect that site's rankings. Links on social media platforms almost universally contain a "nofollow" attribute, meaning they technically do not pass authority directly to the site, but most SEO experts believe the search engines are taking these links into account when determining ranking. An additional benefit of social sharing is that it generates buzz for a page, which could lead to additional links, which are more important for increasing a page's popularity. Although social sharing is increasing in importance, it remains less important than traditional link metrics as a measure of website popularity.

# *Chapter 4 - Section 3 - Link Building*

The internet version of winning the lottery would be to create a website whose content was so compelling that, without any extra effort on your part, it generated millions of backlinks from diverse, reputable websites, many of which were topically relevant, using relevant (but not over-optimized) anchor text. But no internet lottery exists, so earning backlinks for your website will likely require a lot of work. Another unfortunate fact of link-building is that the methods that can earn a high quantity of links tend to earn low quality links, and methods that earn high quality links are not scalable, meaning they will not lead to a high quantity of links. In general, it is wiser to focus on earning a smaller number of high quality links than a high number of low quality links, as low-quality links run the risk of putting a site in a bad link neighborhood.

## **Types of Earned Links**

Any backlinks to a site fit into one of three categories: editorial, manual, or manufactured. Editorial links are links a webmaster spontaneously gives to a page because he likes the page's content. These links are pure endorsements, and evidence of editorial links will improve a page's rankings on any search engine. Manual links are links one earns through direct effort, but still require a third party to sign off on them. For example, when one submits a website to a directory, the resulting link comes directly from that person's work in submitting the site, but the directory still had to approve the listing. Manual links are not as highly valued by search engines, but they typically have a positive effect on rankings. Finally, manufactured links are, as the label implies, manufactured by the webmaster without any third-party approval. For example, one could find a blog with an open comments section, and include a link in a comment on the blog. In general, the easier a link is to obtain or build, the less valuable it is from a rankings standpoint.

## **Editorial Links**

**Linkable Content.** The first step in generating backlinks to a site is to create content other webmasters consider worth linking to. The next step is to determine a location on the website where this content should reside. Many webmasters create and promote interesting content on a special blog section

of the company website. Delta Airlines' blog (<http://takingoff.delta.com/>) is thriving with a variety of interesting content, including destination suggestions, photo contests, events, and even technical information about its plane fleet. A wide variety of people, from the traveler to the foodie to the plane enthusiast, might link to some of the content on the blog.

Below are several content suggestions along with examples that have worked for other websites.

*Visual content.* Creating interesting content is a bit of an art, and no one can provide a surefire formula for creating buzz-worthy content. But some content formats have a greater chance of garnering attention than others.

Infographics, which are small graphic representations of information, are more likely to earn links than are essays. *Example:* Mashable wanted to do an article on the success, or lack thereof, of business startups. Rather than just write an article with lots of statistics and flowery words, they created [this infographic](#). Compared with a traditional article on Mashable, it is more interesting to read, more fun to look at, and more likely to be shared because of the way the infographic conveys the message. According to ahrefs.com, this infographic has been shared over 3,600 times and received 126 backlinks.

*Expertise.* Expert knowledge and/or advice summarized in one page can prove valuable to anyone who has a website focused on that topic area. An additional benefit of expert knowledge is that the links gained from it are likely to come from topically related sites, which are more valuable for ranking purposes. *Example:* Earlier in this chapter, we showed a graphic from the SEO expert survey done by Moz.com. This is valuable information for anyone in the SEO sphere, and has earned moz.com hundreds of links from topically related websites.

*Videos.* For many people, a video is inherently more interesting than any other type of content. An interesting video or funny commercial about one's business can generate backlinks in a variety of ways. First, if the video is on YouTube, it can link back to the website from the YouTube page. Second, bloggers will likely share and embed the video and mention the company with a link. Third, if the video includes newsworthy content, news stations might cover the video and share the story with their viewers.

*Press releases.* News organizations are constantly looking for worthwhile stories. If a business is doing something unique or newsworthy, a press release will notify these news organizations of that event. If they decide to do a story on a particular business, they are likely to include links to the business's website. *Example:* The Owlet is a small reading device that straps onto a baby's foot and monitors heart rate and oxygen levels and alerts parents to SIDS-related problems. Before the product had even launched, dozens of news organizations had done stories on the Owlet, which gave its website, [www.owlcare.com](http://www.owlcare.com), thousands of backlinks.

**Greasing the wheels.** If a webpage has buzz-worthy content, a webmaster can take additional steps to maximize exposure and potential for link acquisition.

*Providing embed code for visual content.* If a page has interesting visual content to which another website may want to link (infographics, videos, etc.), that website may prefer to post some of the content on its own site. Providing a short snippet of code that the webmaster can use to put that content on his own website encourages this. By providing the code, a business owner can ensure that code links back to her own website. Moz.com includes an “Embed this chart” button below every chart from its SEO expert survey.

*Networking.* Any website a successful or semi-successful site chooses to link to may receive a large boost in its rankings. Knowing this, one is more likely to link to a site whose owners one knows and likes on a personal level. New website owners should work to build up a personal network of other people running websites in their industry. For example, whole9life.com provides nutrition classes and health consulting services. Its website has become extremely popular within the Crossfit community by providing nutrition classes at Crossfit gyms, which typically earns its site links from those gyms' websites.

*Following up.* Any website that has linked to another site's content or embedded one of the latter's videos has demonstrated interest in that content. The linked-to website owner could contact the webmasters of such sites directly and suggest other content on her site or notify the webmasters of newly posted content. Additionally, by doing periodic searches on her own site's name, an owner may find other sites that have mentioned hers by name

or by brand without linking to it. The owner can contact these sites and request that they provide a link along with this mention.

## Manual Links

Though some kinds of manual links do less to improve rankings than editorial links, they are more reliable and easier to acquire than editorial links and can still provide a rankings boost. But they do require some caution, because they may generate a high number of low-quality links, putting a site in a bad link neighborhood.

**Submitting to directories.** Directories are websites that catalog links to hundreds or thousands of other websites. They organize these links by categories and subcategories. Through submission to a directory, the site gains a link, but some directories are in bad link neighborhoods, so the link may not be beneficial. As a rule of thumb, sites should only be submitted to directories that are likely to actually send traffic to the website (rather than just provide a link). A restaurant should be listed in local city directory sites and on restaurant-specific directories like Yelp and Urbanspoon. Special note: Be certain that the name, address, and phone number are the exact same in every directory listing. This consistency will help search engines match up the listing with all of the other places a business is listed online.

**Local business profiles.** Most search engines allow business owners to create and manage profiles to provide better information for their map services, including [Google Local](#), [Yahoo Small Business](#), and [Bing Places](#). A business owner should create profiles on each of these sites and ensure that all information is complete and accurate.

**Social bookmarking sites.** Bookmarking sites like Pinterest and Stumbleupon allow users to save and share links to websites. A webmaster can link to her website either through her profile page or through the links she saves/shares. Although these links may provide minimal SEO value, they can be a good source of legitimate traffic and can help others find her content.

**Social networking sites.** Sites like Facebook, LinkedIn, and Twitter allow business owners or website owners to create profiles with a place to specify a link to their site. A webmaster should not create a social profile for the sole purpose of generating a link, but it is advantageous to have an active social media profile that links back to the company's website. An active

social media presence signals to search engines that a website or business is legitimate and deserves to rank well.

**Asking for links.** Businesses can often gain numerous backlinks by asking various groups to link to them, including (1) websites that currently mention the business but do not link to it, (2) websites linking to the business's competitors, but not to the business, (3) customers or business partners of the business, (4) attendees of events sponsored by the business, and (5) organizations of which the business is a member. A business should strive for links that will drive traffic to the website, not just show search engines that it has another link.

**Trading links.** “You link to my site, and I’ll link to yours.” Such quid pro quo linking typically does not help either party. Search engines can easily detect these reciprocal links and keep them from aiding SEO. However, sometimes the linking relationship may help both websites by sending qualified traffic. These partnership opportunities should not be overlooked.

**Guest blogging.** Blogs need to create fresh content and many blog owners allow others to submit content for the blog, usually in exchange for some exposure and a link to the author’s website. Guest blogging was considered standard practice for many years as a way to gain links, but Google has recently taken a harder stance against sites that appear to only use this practice for SEO purposes—usually by guest blogging on low-quality websites using low-quality content with very deliberate anchor text links. More natural guest-blogging approaches on higher-quality websites can be a good source of links.

## Manufactured Links

Because of their low quality, manufactured links are best avoided. Many sites have been penalized for automating the creation of these kinds of links. The list of techniques is provided below so that one can be aware of these practices and understand what makes them risky.

**Blog comments.** Many blogs allow readers to comment on posts. A business owner can easily generate thousands of links by commenting on these blogs and including a link back to her website site in these comments, but search engines do not give much credit to these links and may penalize sites that appear to use them in high amounts. Leaving a good blog comment with a link

to one's content that contributes to the discussion may end up being very valuable, but usually more for traffic purposes than for SEO.

**Forum signatures.** Internet forums, or message boards, allow internet users to engage in written conversations. Typically, each post in the conversation includes identifying information about the person posting. On some forums, users can make this information an image that links back to her website, thereby creating another means of generating thousands of links quickly, but such links have little value.

**Linky parties.** A blog hosts a linky party by inviting other bloggers to provide links to their own blog, typically on a related subject. It is a way for bloggers to attract new readers and find new blogs to read, but it is also a way to get blacklisted by search engines.

**Free article directories.** These sites allow any “expert” to write an article in her area of expertise, usually including links back to her own website. Because these sites have little to no quality control, these articles are low quality, are rarely read, and are often part of link schemes that can lead to all participating sites being penalized.

**Creation of secondary site.** Creating an entirely new site for the sole purpose of linking back to one’s primary site might seem like a good idea, but search engines can easily determine that the secondary site is not “real.”

# Chapter 5 -

# Paid Search Marketing

Introduction

- 1 - Paid Search Advertising Explained
- 2 - The Anatomy of a Text Ad
- 3 - Effective Ad Copy
- 4 - The Math and Vocabulary of PPC
- 5 - Buying Ad Space
- 6 - Keyword Research
- 7 - Analyzing Keyword Data
- 8 - Google Adwords Account Structure
- 9 - Keyword Match Types

## Chapter 5 - Introduction

### Chapter 5 Learning Objectives

After reading this chapter, students should be able to:

- 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.

Before Google became a household name, it created a worldwide user base of people that were searching for information about anything and everything online. Back then there were no ads, and Google made very little money.

In October of 2000, AdWords, a method for companies to pay to advertise on Google, was launched. Here is the [AdWords official press release](#). The widespread use of Google as one of the most popular search engines, plus the user-friendliness of the online ad-buying platform, caused AdWords to swiftly gain popularity from online advertisers and ad agencies. To this day, Google still makes more money from AdWords than from all of its other revenue sources combined. About 91% of Google's revenue comes from ads purchased through the AdWords platform.

All of the search engines today have adopted the same pay-per-click (PPC, also known as cost-per-click, or CPC) advertising model used in AdWords. In this model, search engines charge advertisers each time their ad is clicked, which means the advertisers don't have to pay for their ad to show up in the sponsored section of search results. They only have to pay when searchers read their ad and decide to click through to the website.

This chapter is dedicated to PPC advertising on search engines, sometimes referred to as search engine marketing (SEM). This chapter discusses why search engines make tens of billions of dollars annually through this model, but more importantly, it offers actionable insights into how a website owner can effectively use this advertising platform. Search engine advertising drives more new website traffic than any other online advertising method, and no other advertising method enables a more precise targeting of potential customers. Additionally, a site owner can measure the effectiveness of search engine advertising more reliably than any other method of advertising. Because of these many benefits, no website should overlook search engine advertising.

# *Chapter 5 - Section 1 - Paid Search Advertising Explained*

The following short story portrays how search engines utilize a PPC advertising model in which the search engine, advertisers, and searchers can all win.

## **The Story of Darrell and Steve**

Darrell loves to wakeboard. In the summer, he spends every Saturday at the lake. He uses an old board because the payments on the boat and his house leave little room for buying a new board. Then it happens. His board breaks. He has to buy a new board because he already has plans to go boating next weekend with friends coming to visit from out of town.

That night he does a quick search on his phone for “wakeboards” just to find a price range for a new wakeboard. The following Monday morning, he gets his laptop and searches for “wakeboards under \$400.”

Darrell would be the perfect customer for Steve’s Watersport shop.

Steve has been successfully selling wakeboards online since the day he launched his website. Whenever someone does a search online for wakeboards, Steve makes sure his ad appears in the search results. Steve loves this type of advertising because his ads only show up when someone searches for a product that he sells. And the best part is that Steve doesn’t pay anything for his ad to show up. He only has to pay the search engines when his ad gets clicked.

When Darrell in California searched for “wakeboards” from his phone, Steve’s ad showed up. Darrell didn’t click on the ad, but he did see Steve’s advertisement. That didn’t cost Steve one penny. On Monday, when Darrell searched for “wakeboards under \$400,” Steve’s ad again showed up again. This time Darrell clicked and went to shop on Steve’s website. Steve was charged \$0.88 for that click, but he was happy to pay that price to get Darrell to come to his site. Steve had lots of wakeboards on his site for less than \$400, which is exactly what Darrell was looking for. Darrell was able to find a good wakeboard for \$399, so he made the purchase.

This is the beauty and power of PPC advertising. Darrell found a site selling wakeboards for under \$400. Steve paid \$0.88 for a potential customer to look at his products. In the end, Darrell made a purchase of \$399.

In the story of Darrell and Steve, Darrell finds a board he wants in his ideal price range. Steve is happy because he made a \$399 wakeboard sale and didn't have to spend much on customer acquisition. The search engine earned \$0.88 for connecting Darrell and Steve. All three parties are happy. It may be a while before Steve and Darrell connect again, but Steve will continue to pay for clicks from other searchers as long as he can keep making sales to a sufficiently high percentage of them.

Not everyone who advertises with PPC comes out ahead like Steve. The goal of this chapter is to provide the skills necessary to make your website a winner in the search advertising realm.

# *Chapter 5 - Section 2- The Anatomy of a Text Ad*

## **The Anatomy of a Text Ad**

PPC ads have historically shown up in the top and side of SERPs (search engine results pages) as shown in Figure 5.2.1 below.

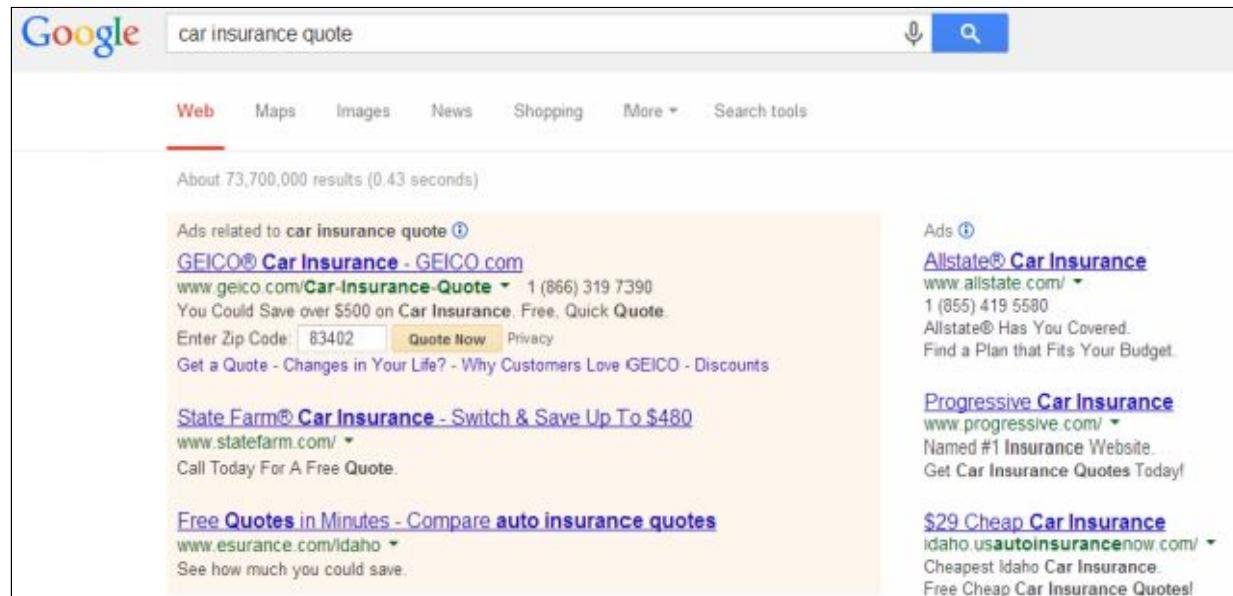


Figure 5.2.1

Each search engine displays their ads in SERPs in their own unique way. Ads in search results will continue to evolve, but text ads in SERPs generally have six key elements. Figure 5.2.2 below is a typical text ad displaying many of these key elements.



Figure 5.2.2

**The Title.** Each text ad has a headline known as the title of the ad. Each title is allotted a limited number of characters. In Google Adwords, this limit is

normally 25 characters. Note that several of the words in the ad are bolded. Search engines bold any word that matches a word in the user's search phrase. From the ad above, we can see that the user searched for *car insurance quotes*. By including "Car Insurance" in its title, Progressive makes its ad stand out to the searcher. Search engines typically also highlight synonyms of the searched keyword that appear in the ad. In Figure 5.2.3 below, esurance.com has an ad with the word auto, but Google recognizes that car and auto are synonymous and highlights auto, even though the keyword searched was *car insurance quote*.



Figure 5.2.3

**The Description Lines.** The description lines of an ad are different for sidebar ads and top-of-page ads. The top-of-page ads, which appear above the organic search results, have one description line, whereas a sidebar ad has two description lines, each with a limit of 35 characters. For example, Figure 5.2.4 below is a top-of-page ad.



Figure 5.2.4

Figure 5.2.5 is a sidebar ad from the same SERP.



Figure 5.2.5

**The Display URL and the Destination URL.** As indicated by its name, the display URL is the URL searchers see when an ad is displayed in SERPs. Google allows advertisers to use any URL they like for the display URL as long as the root domain of the display URL is the same as the root domain of the page the searcher will land on when they click the ad. Meanwhile, the destination URL is the actual URL where the searcher will be directed when the ad is clicked.

In the Blue Nile ad shown above, the display URL was [www.bluenile.com](http://www.bluenile.com). Meanwhile, the destination URL was <http://www.bluenile.com/jewelry>. The difference between the display URL and the destination URL can also be more dramatic. The below ad in Figure 5.2.7 has a display URL of [www.chicos.com/Jewelry](http://www.chicos.com/Jewelry), as you can see. But its destination URL is:

```
http://www.chicos.com/store/browse/shelf.jsp?  
cat=Jewelry&colorFamily&size&subCatId=&catId=cat40005&viewAll=true&inSeam&  
CMP=KNC-GOOG_NB&searchdef=2243318&k_clickid=56e05064-ac2e-84c8-cab0-  
000001765351&o02=2243318&o06=39079963477&o07=Search&o08=&o09=e&o1  
2=women%27s%20jewelry&o21=44298760688&o25=c&o26=.
```

Figure 5.2.6



Figure 5.2.7

Although the destination URL does not show up in the ad itself, it is one of the most vital parts of the ad creation process. If a web designer makes a mistake here, users may be sent to the wrong page of the website, or worse yet, may be sent to a broken, 404 page of the site, as in this creative one in Figure 5.2.7 from [www.columbia.com](http://www.columbia.com):



Figure 5.2.8

## Ad Extensions

Although the parts already discussed make up the full portion of a traditional search ad, many ads feature one or more extensions. The ad below features three ad extensions.



Figure 5.2.9

Advertisers do not have the ability to control when these types of ads with ad extensions appear, but each advertiser does have the ability to opt-in to each ad extension individually. Other ad extensions include the following:

- Location extensions to display store addresses with a link to Google Maps
- Offer extensions to include printable coupons for offline purchases
- Shopping star review ad extensions
- Reservation extensions for travel/hospitality
- Call extensions to allow mobile searchers to call the store directly

These extensions have evolved over the years and will likely continue to evolve, but needless to say, these types of ads are effective in helping your ad stand out and can boost your click-through rate (CTR). It is wise to constantly look for new ad extensions and be sure to stay abreast of new extensions that become available so you can be one of the first to try them out. You can learn more about Google's Ad extensions and get a complete list of the variety [here](#), and watch a video about them [here](#).

## Other Types of PPC Ads in SERPS

**Text Ads with Dynamic Keyword Insertion.** When a searcher uses a keyword that also appears in the ad, that keyword appears in bold font to help it stand out in the ad (the same thing happens in organic search results). In an effort to ensure the keywords searched show up in the ad a business runs, the website can use dynamic keyword insertion (DKI). DKI is a simple command

that automatically inserts the searched keyword into the ad (or if there is insufficient space, it will display a default word).

As an example, assume an advertiser has bid to display an ad on the following search terms:

- Folding Chairs
- Black Folding Chairs
- White Folding Chairs
- Gray Folding Chairs
- Etc.

It might be challenging to fit all of these keywords into a single ad, so the advertiser uses DKI, as shown below.

**Order {KeyWord: Folding Chairs}**

Folding Chairs, All Colors On Sale.

Buy Chairs This Weekend & Save 20%!

[ChairMarketeer.com/Weekend-Special](http://ChairMarketeer.com/Weekend-Special)

Note that the letters “K” and “W” of KeyWord are capitalized. This capitalizes all words that are inserted into the ad (typing “keyword” instead of “KeyWord” would not capitalize the inserted words).

If someone searched for *gray folding chairs*, the ad would look like this:

**Order Gray Folding Chairs**

Folding Chairs, All Colors On Sale.

Buy Chairs This Weekend & Save 20%!

[ChairMarketeer.com/Weekend-Special](http://ChairMarketeer.com/Weekend-Special)

Meanwhile, if someone searched for *black folding chairs bulk order*, the ad would look like this:

**Order Folding Chairs**

Folding Chairs, All Colors On Sale.

Buy Chairs This Weekend & Save 20%!

This is because the entire search phrase would not fit if inserted, so Google uses the default keyword, *Folding Chairs*.

**Product Listing Ads (PLAs).** Google first announced the PLA feature for Adwords in 2009. In addition to text, this ad type displays product images and prices.

Here is an example:

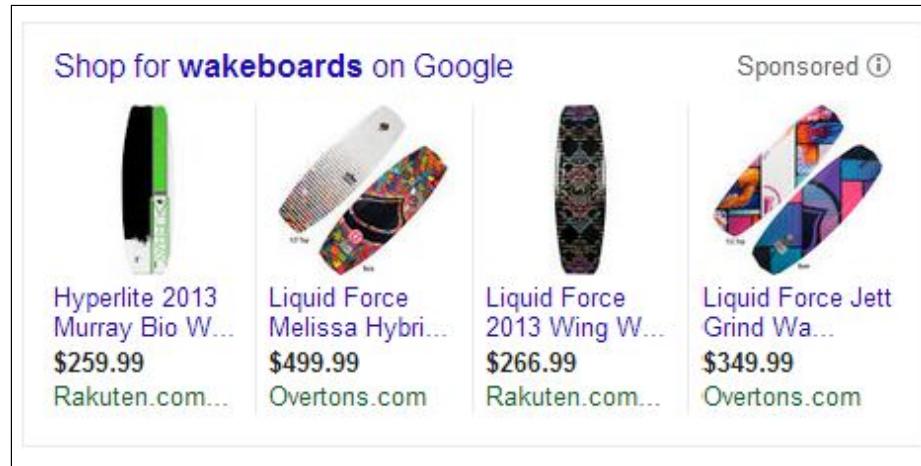


Figure 5.2.10

These ads show up on the top left of the SERP, as shown in Figure 5.2.10 below.

Google search results for "flowers". The top right corner features a sponsored ad for Teleflora Flowers, which includes a map of Provo, Utah, with red dots indicating delivery locations. Below the map, there's a promotional offer for \$10 off.

**Shop for flowers on Google**

Flowers Delivery Same Day - Rose & Lily Celebrations	One Dozen Rainbow Roses	Flowers: One Dozen Red Roses
\$27.99 FromYouFlowers.com Special offer	\$19.99 ProFlowers Special offer	\$34.99 1800Flowers.com Special offer

**Flowers at 1-800-FLOWERS® - 1800Flowers.com**  
[www.1800flowers.com/flowers](#)  
 Same Day Delivery Available. 100% Satisfaction at 1-800-FLOWERS.  
 Birthday Flowers. Deal of the Week.  
 Sympathy Flowers. Same Day Delivery.

**ProFlowers® - \$19.99 - ProFlowers.com**  
[www.proflowers.com/flowers](#)  
 Send Flowers for any Occasion. "Best Value" - Wall Street Journal

**FTD® Flowers for \$19.99**  
[www.ftd.com/flowers](#)  
 (855) 333-4383  
 Guaranteed Delivery on our Freshest Flowers. Up to 33% Off - Order Now!

Figure 5.2.11

Or they may show up on the top right, as shown here:

Google search results for "running shoes". The top right corner features a sponsored ad for running shoes, displaying a grid of four shoe models with their names and prices: Asics GEL-Lyte33 2 (\$49.47), Nike Flyknit Trainer+ Unis. (\$150.00), New Balance Size 10.5 D... (\$72.97), and Nike Flex Experience R... (\$65.00).

**Running Shoes - RoadRunnerSports.com**  
[www.roadrunnersports.com](#)  
 4.5 ★★★★★ rating for roadrunnersports.com  
 Free Ship & Perfect Fit™ Guarantee On All Of Your Favorite Shoes!

**Running Shoes - zappos.com**  
[www.zappos.com/running](#)  
 Huge Selection of Running Shoes. Free Shipping and Free Returns!  
 Men's Running Shoes - Women's Running Shoes - Running Clothes

**Saucony® Running Shoes - Saucony.com**  
[www.saucony.com](#)  
 Largest Men's & Women's Selection. Free Shipping on All Saucony Styles  
 Saucony has 946 followers on Google+  
 Men's Saucony - Women's Saucony - Saucony Shoe Advisor - Last Chance Styles

**Running Shoe Reviews | Runner's World**  
[www.runnersworld.com/running-shoes/running-shoes](#)  
 Spring 2014 Running Shoe Guide ... Find the perfect pair of shoes for you among the 18 best new models of the ... Ten trail shoes that can handle any terrain.  
 Winter 2013 Shoe Guide - Shoe Adviser - Fall 2013 Trail Shoe Guide - Shoes & Gear

Figure 5.2.12

Using a feed of inventory, sizes, colors, prices, product images, and landing page URLs, Google can show products on keyword searches related to specific products. Industry research suggests that advertisers see large improvements in CTR and conversions with PLAs.

Learn more about Google Shopping Campaigns and how to implement them [here on the Adwords Youtube channel](#).

**Google Maps Ads.** Text ads can be displayed when someone is searching on Google Maps:

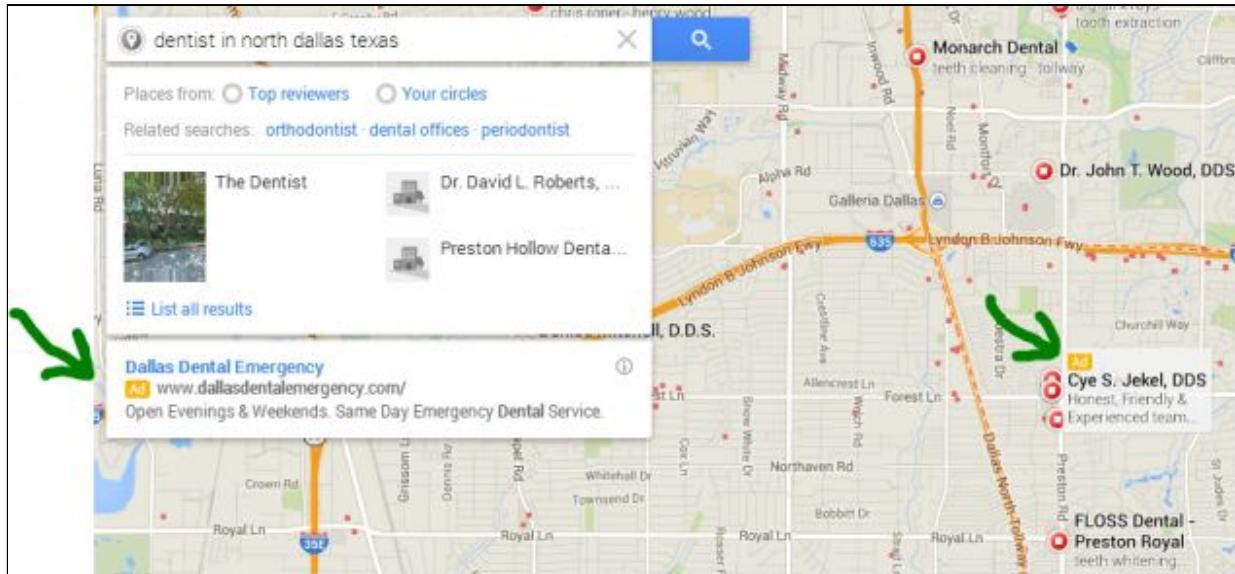


Figure 5.2.13

These ads can be setup by simply connecting a business's local listing through Google+ with its Adwords account. When someone is looking for the dentist closest to their home on the map, they may go the extra mile if the ad and offer catch their eye.

**Click-to-Call Ads.** More and more searches take place each day on a mobile device. When someone searches on a phone, Google allows the searcher to click a button on the ad and immediately call the business. See the ad for Tanya's Massage in this mobile phone screenshot in Figure 5.2.13:

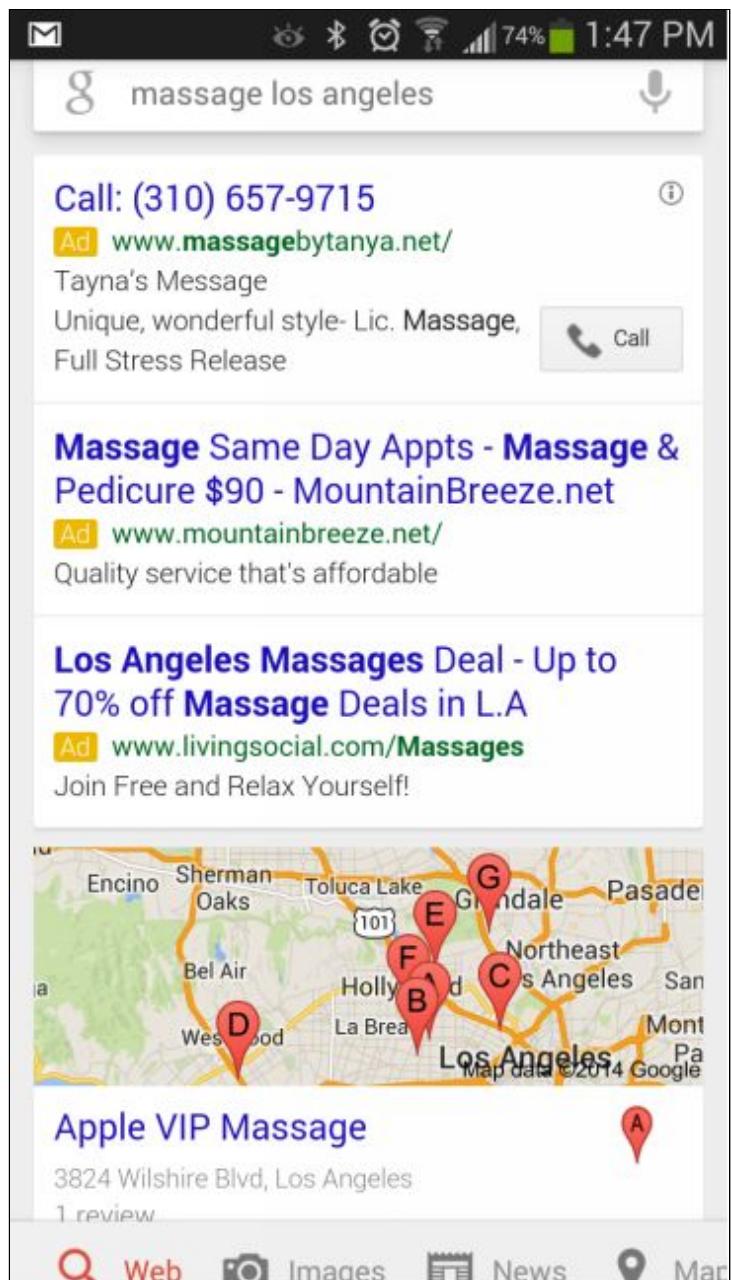


Figure 5.2.14

Skipping the website entirely, the searcher can go straight from a Google search to a phone call. This ad type charges per phone call. Again, these types of ad extensions are known for improving site traffic and conversions.

# *Chapter 5 - Section 3 - Effective Ad Copy*

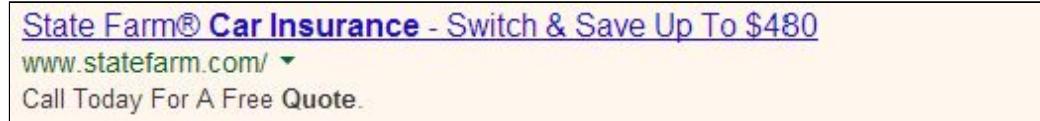
As with any kind of advertising, there is no guaranteed method for writing ad copy that will outsell one's competitors. But there are some guidelines that can help maximize the likelihood of success with search ads. This section shares these guidelines.

## **Effective Titles**

The purpose of the title is to get the searcher's attention. One simple and effective way to do this is to include keywords in the ad title, because they will be bolded in the SERP. But the title must be informative and make sense. If a brand is well known, the brand name should be mentioned in the title. Otherwise, space in the title should be reserved for gaining the attention of the searcher.

## **Effective Descriptions**

The search engines can sometimes rearrange description lines, as in the ad below in Figure 5.3.1.



State Farm® **Car Insurance** - Switch & Save Up To \$480  
www.statefarm.com/ ▾  
Call Today For A Free Quote.

Figure 5.3.1

When State Farm wrote this ad, “Switch & Save Up To \$480” was description line 1. Here, it has been included in the title. By ending the first line of the description with a period, the odds of the search engine choosing to include line 1 in the title go up.

The description lines, as well as the title, should use proper punctuation and grammar.

When working on writing ad copy, web designers should remember to include three things in each ad:

1. Keywords for relevance
2. Unique Value Proposition (UVP)
3. Call to Action

**Keywords for Relevance.** This chapter previously discussed dynamic keyword insertion (DKI). DKI ensures that the text ad includes the keywords being searched. CTRs tend to improve when the keyword being searched is in the ad. This is a first indication to the searcher that the website has exactly what the searcher is looking for.

**Unique Value Proposition (UVP).** Because a company's ad will be one of about 10 ads on the SERP (in addition to 10 organic search results), its ad must communicate something to the searcher to indicate that what the site has is superior to the other sites. The website's unique value proposition (UVP) is the single thing that sets the site apart from the competition. Here are some examples:

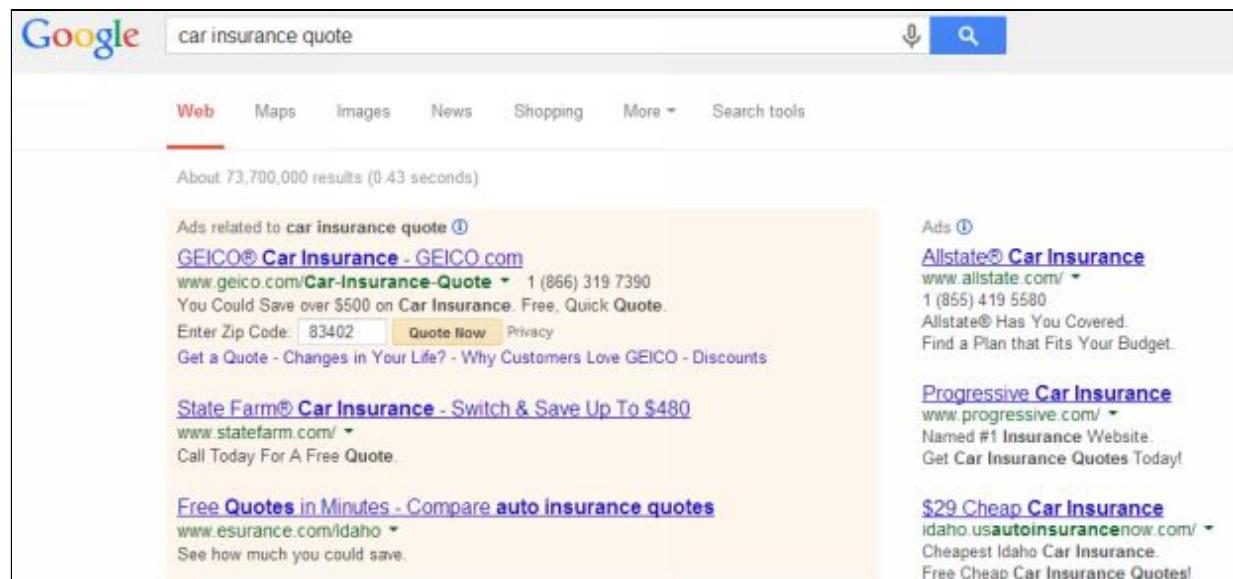


Figure 5.3.2

- Geico® could save you 15% or more on car insurance.
- With State Farm® you may save up to \$480.
- Allstate® promises they have a plan that fits your budget.
- Progressive touts that they were named #1 Insurance website.
- US Auto Insurance Now has \$29 Cheap Car Insurance.

Remember that each of the advertisers (competitors) also has a UVP. Consider how a website's UVP compares to its competitors' UVPs. It is especially difficult to stand out when competing against well-known brands. US Auto Insurance Now is a great example of a company that is using its UVP to overcome this deficit in brand awareness.

**Call to Action (CTA).** If a company's ad is relevant to the searcher, and the searcher likes the company's UVP, he will be favorably inclined to click on the ad. A CTA might be the last nudge that is needed to push the searcher over the edge and earn the advertiser a click. Referring back to the "Car Insurance Quote" SERP, how are those advertisers persuading searchers to take that next step?

- State Farm invites the searcher to take action by switching, saving, and calling today. *Note: Including a time frame like "today" or "sale ends Friday" adds urgency to a CTA.*
- Esurance.com invites the searcher to compare and to see.
- Allstate tells the searcher to find a plan.

The common thread in all calls to action is that they include action verbs. Web designers should check to make sure they have included an action verb in their ads. Coordinating the action verb in with the UVP is also a good idea. "Do this and get that" is an excellent way to improve CTRs. State Farm does a good job of this by telling searchers that if they switch (the action), they can save up to \$480 (the reward/UVP).

## Effective Display URLs

Sticking with the car insurance quote search as an example, notice a few of the display URLs:

- [www.geico.com/Car-Insurance-Quote](http://www.geico.com/Car-Insurance-Quote)
- [www.statefarm.com/](http://www.statefarm.com/)
- [www.esurance.com/Idaho](http://www.esurance.com/Idaho)

Geico uses the exact keywords searched for in the display URL, which, if a searcher takes time to analyze the ad, may help him assume he can get a quote on the site, which is what he was searching for. The keywords are in a bold font to make sure the searcher recognizes that fact.

State Farm chose to use its homepage URL (also known as the root domain).

Esurance.com chose to customize its URL to the searcher, who happened to be in Idaho at the time of the search. This customization may appeal to searchers who may assume esurance has special or custom quotes for people in Idaho.

When initially writing their first ads, website owners will have to go with what their gut instincts tell them will draw the most attention and get the most

clicks. Over time, testing different display URLs to determine which one produces the highest CTR is very important. Gut instinct may say a custom URL is bound to get the highest CTR, only to find that an ad with just the root domain as the display URL improves CTR by 30%. You never know until you test.

## The Destination URL

The destination URL must be a landing page relevant to the offer and content in the ad. If an ad talks about a car insurance quote, the searcher should not be sent to the home page of an insurance site that talks about all of the different types of insurance the company sells. The searcher that clicks through should be brought to a landing page that allows the searcher to get a car insurance quote that matches the UVP used in the ad. A later chapter will discuss what should be on a company's landing page.

# *Chapter 5 - Section 4 - The Math and Vocabulary of PPC*

## The Math and Vocabulary of PPC

Before a company even runs its first online ad campaign, it can do some quick calculations that will help it project the results it should be able to expect from its PPC ad campaigns. This section covers the most common terms used by PPC advertisers, and in the process introduces frequently used math formulas to further one's SEM knowledge.

**Impressions.** An impression is an appearance — every time an ad appears on a SERP, an impression has occurred, even if the searcher never actually looks at it or clicks on it. The number of impressions an ad is likely to earn can be estimated by summing the average monthly impressions of all keywords a site plans to target.

**Clicks.** Remember that an advertiser pays only for clicks, not impressions. The search engine will total the clicks and charge the advertiser's account based on the total number of clicks the ad receives. If someone sees the URL on the ad and types it into the address bar (but never clicks on the ad), the advertiser won't be charged.

**Click-through Rate (CTR).** Average CTRs tend to be around 1%-4%, but some ads might have CTRs above 20%. These are usually ads associated with branded keywords (a company's actual brand name) or keywords for which the company is the only advertiser. The following formula is used to calculate CTR:

$$(\text{Clicks} / \text{Impressions}) * 100 = \text{CTR}$$

Example:  $(100 \text{ Clicks} / 3000 \text{ impressions}) * 100 = 3.33\% \text{ CTR}$

**Cost per Click (CPC).** The amount an advertiser pays for each click is determined both by the company's bid (what it tells the search engine it is willing to pay per click) and by its competitors' bids, in a method described in the next section. [Google's Keyword Planner](#) helps estimate what the average cost per click will be.

**Conversion Rate.** Conversion rate is the percentage of visitors to a site who make a purchase (if it is a retail website). This rate is calculated as the number of buyers divided by the number of visitors. If 100 people visit a site and two make a purchase, the conversion rate is 2%. Similar to CTR, conversion rates vary by industry and by website. If a company is going to pay for traffic through search engine advertising, it will want to determine the level of sales it can achieve by paying for this traffic. For a retail site, a company can make a conservative, moderately optimistic, and extremely optimistic sales forecast by multiplying its expected clicks (visitors) by 1%, 4%, and 10%, respectively.

**Return on Advertising Spend (ROAS).** Return on ad spend is calculated by taking the total revenue and dividing that number by the total spent on advertising, and then multiplying that number by 100. The formula looks like this:

$$(\text{Total Revenue} / \text{Total Adspend}) \times 100 = \text{ROAS}$$

If a company is going to advertise on search engines, it is important to determine what its ROAS will be. If it sold \$30,000 in cars, and it spent \$10,000 on ads, the ROAS would be 300%. Note that this number doesn't take into consideration the cost of goods sold. It only considers what the company paid to generate total sales revenue. The website's margins truly determine the worth of PPC.

**Cost per Acquisition (CPA).** An acquisition is typically considered a completed sale for a retail site, or a lead generated for a lead generation site. CPA determines how much it costs, on average, to reach a site's acquisition goal. It is the total amount of money spent advertising, divided by the total number of sales completed (or leads generated). If an advertiser spends \$100 and gets 10 sales, its CPA is \$10.

# *Chapter 5 - Section 5 - Buying Ad Space*

## **Buying Ad Space**

When a company chooses to advertise on a billboard, it picks a billboard and pays a set rate per month to keep its ad on that billboard. That rate may change over time, but the advertiser might go years paying the same price per month for the same ad to appear on the same billboard. With paid search advertising, the price paid to advertise on any given keyword is dynamic—it could change from one minute to the next. This chapter explains how to buy ad space and how search engines determine where to show an ad. This chapter doesn't cover creating one's own advertising accounts with the search engines, but see [adwords.google.com](https://adwords.google.com) and [advertise.bingads.microsoft.com](https://advertise.bingads.microsoft.com) to learn more.

**Cost-per-Click Bidding.** Search engines sell keyword ad space using an automated auction platform. Advertisers place a bid on a keyword (instruct the search engine how much they are willing to pay for a click from a searcher who has searched for that keyword), and the winning bid gets the best ad location for searches on that keyword. However, the bid from each advertiser is not the only factor in determining who “wins the auction” and ranks higher than the other advertisers. The actual cost-per-click (CPC) is determined by three key factors:

1. Quality Score (discussed later in this chapter)
2. Maximum CPC bid
3. Expected impact of extensions and other ad formats to determine Ad Rank (also discussed later)

Google provides an additional explanation of the [actual CPC](#).

Advertisers set bids to tell the search engines what they are willing to pay per click. Often, the advertisers are charged much less than what they bid. Here is an example from the Google Adwords blog:

"If the advertiser immediately below you bids US\$2.00, and if that advertiser's ad is the same quality as yours (and has equal-performing extensions and ad formats), you'd typically need to bid a penny more than US\$2.00 to rank higher than that advertiser and still maintain your position and ad formats. With AdWords, that's the most you'll pay (about US\$2.01), whether your bid is US\$3.00, US\$5.00, or more."

This auction model Google uses is called a second-price auction. In a second-price auction, the winner does not pay what he bid but instead pays a penny more than the bid of the next-highest bidder. In AdWords, rather than paying the CPC amount he bid, an advertiser will pay one penny more than the bid of the advertiser below him.

**Average Ad Position.** Just because an advertiser is the highest bidder on any given keyword does not mean he will always have the number one ad spot. In fact, advertisers commonly bid less and yet rank higher than another advertiser. Search engines are driven to make money off of advertisers, but at the same time, they use a metric called Ad Rank to ensure that the advertisers showing up in search results are relevant to the keyword being searched.

Google defines Ad Rank as “a value that's used to determine your ad position, where ads are shown on a page. Ad Rank is calculated using your bid amount and Quality Score” (<https://support.google.com/adwords/answer/1722122>).

Quality Score will be discussed in more detail later in the chapter.

Watch [this video](#) to learn more about ad rank (also shown below).

Assume an advertiser bids \$10 per click for a keyword, but his ad doesn't get very many clicks. It is poorly written and every time people click on it, they leave the page quickly and go back to the Google SERP. Even though Google might make \$10 per click, they can tell that the advertiser's website does not have what the user wanted. On the other hand, another advertiser may only be willing to bid \$1, but her ad generates a high CTR and very few searchers who click her ad return to the Google SERP. That advertiser is helping Google achieve its goals of making money and giving searchers the results they are looking for. Here is the same scenario explained in diagram form:

Table 5.5.1		
	Advertiser 1	Advertiser 2
Bid	\$10	\$1
Impressions	10,000	10,000
Clicks	15	300
Total Spend	\$150	\$300

By giving the higher ad position to Advertiser 2, not only will Google make more money, but it can also assume their users are going to be more satisfied

with the search results.

**Quality Scores.** Google uses a calculated metric called Quality Score along with bid amount to determine where a company's ad will appear. Google defines Quality Score as “a measurement of how relevant your ads, keywords, and landing page are to a person seeing your ad. Higher Quality Scores can lead to lower prices and better ad positions.”

Each time an ad has a chance to rank on a keyword, Quality Score is recalculated to see how it stacks up to the other competing ads. Three criteria affect Quality Scores:

1. Expected CTR

If an ad is well written and seems to generate more clicks compared to the other advertisers, Google is likely to reward it with a better ad position.

1. Ad relevance

The keywords an advertiser is bidding on should be used in the ad and on the landing page (the destination URL). This use shows Google that the ad and website are relevant to the keyword being searched.

1. Landing page experience

If people click a company's landing page and then quickly return to the SERP (bounce), the action sends a signal that the landing page did not, in fact, have what the searcher was looking for. If bounces occur frequently for those who click on an ad, this negative signal could affect the company's Ad Rank. When people come to a site, the company should deliver what its ad suggests.

## Chapter 5 - Section 6 - Keyword Research

### Keyword Research

Choosing the right keywords for an ad is critical to the success of any PPC ad campaign. How does one determine which keywords are the best? For an electronics retailer that sells tablets, would writing a text ad that can show up every time someone searches for *tablets* be smart? What if they search specifically for a *black tablet* or a *white Samsung tablet*? Should the retailer pay more for a click when his ad shows up on a search for *ipad air* than he would for a click when someone has searched for *ipad mini*? Performing proper keyword research will help answer these important questions.

The following are some of the most important steps of keyword research:

**Search For Yourself.** First imagine being in the shoes of a potential customer. Sit down at the computer, think about what those customers would search, and start typing in what comes to mind. What keywords would they type in? Take special note of what Google Auto-Suggests, as shown in Figure 5.6.1.



Figure 5.6.1

**Competitive Research.** While searching from the perspective of a shopper, take special note of who is advertising for those keywords. Using keyword research tools, input their URL to estimate what those competitors pay per click to advertise on those keywords. One can also gain insights into what other keywords they have selected as relevant places to advertise, and determine if competing on those same keywords is possible. If not, consider variations of those keywords where the competition may not be choosing to advertise. Could those be potentially lucrative keywords? NOTE: SpyFu.com, SEMRush.com, and KeywordSpy.com are tools that can be used for online advertising competitive research. Read more about tools in #4 below.

**Categorize the Keyword Data.** Consider the searcher's intent. What is the motivation behind each keyword searched? Searcher intent is composed of three main categories:

1. *Buyers* - If someone searches for an exact product, chances are their intent is to buy. For example, a searcher looking for *best deal on thinkpad x200 tablet* can most likely be categorized as a buyer. That shopper has already done his research and is looking for the best deal on the exact model he wants to purchase. The value of this keyword should be considered very high. The conversion rate on such keywords is typically high, especially if an ad and landing page are both specific/relevant to the product searched. A company with a small and tight online ad budget should do everything it can to make sure its ad only shows to people in this category.

2. *Researchers* - People use search engines to research anything and everything. Understanding the intent of the keyword being researched should help an advertiser determine the value of that keyword. *Tablet reviews* is a keyword that might imply the searcher's intent to learn more about tablets on the market to buy them later, but someone doing research for a computer science class project could use the same keyword. In either case, this keyword should be categorized as a research keyword. These types of searches are less valuable to a PPC advertiser because a lower percentage of those searching are serious about buying a tablet like the ones it sells. Therefore, the advertiser will pay for more clicks from buyers that are not as serious about buying from him. If the advertiser is looking to grow and expand his budget and reach, this is the next best category to target.
3. *Browsers* – Searches are often done out of curiosity. If a searcher uses the term “ideas” in the search, she most likely isn’t in a shopper/buyer mode. As an example, if a young wife inputs *date night ideas* as a search, she is likely to be searching for inspiring blog posts about dating her spouse and is not looking to buy anything. A local movie theater may still get some value from advertising movie ticket deals, but it will have much more success advertising on a search like *theaters in Birmingham*. Without a large budget, a company should be cautious about advertising to searchers with browser intent. Typically, only the large online brands like eBay and Amazon will post ads on these keyword searches. They are seeking to cast a wide net in hopes of buying cheap clicks to find potential future customers. Seldom do these clicks turn into immediate sales, but they can be an excellent way to grow brand recognition online.

**Tools.** This textbook will share and mention tools for online marketing occasionally, but it is not a source or guide for how to utilize the tools, nor will it explain all of the features. In the Stukent RealDeal Simulation, students use keyword data that are shared from Google’s [Keyword Planner](#) tool. Because of the dynamic environment of Google’s keyword search volume and advertisers with varying budgets that start and stop spending money all the time, the data are not 100% accurate. Remember to use the averages and data as a reference point, but do not expect to pay the exact cost-per-click (CPC)

shown in the tools, or to see the exact amount of search volume they report from historical data. As long as these data are available to advertisers, they are a great tool for planning and preparing ad campaigns and determining which keywords will be the best to run text ads.

Besides Google's Keyword Planner tool, other third-party tools can help a company select which keywords are right for it. One can gain insight into what competing websites pay per click for the same keywords, get estimated data regarding their daily budgets, and get lists of the keywords where competitors have shown up in the past. What works for one company won't work for all companies. Competitors may actually be losing money on PPC or may be forgetting good keywords. Each keyword should be carefully considered to determine whether it makes sense for a business.

## Keyword Data Considerations

Figure 5.6.2 is a screenshot from Google's Keyword Planner tool:

Keyword (by relevance)	Avg. monthly searches	Competition	Suggested bid
samsung galaxy tablets	4,400	High	\$2.47
samsung galaxy tablet 10.1	8,100	High	\$1.16
samsung galaxy tablet review	1,300	High	\$3.37

Figure 5.6.2

Based on the information provided above, a company can make data-driven decisions about which keywords it wants to add to its ad campaign. Here are four initial things to consider for each keyword:

**Searcher Intent.** Does the website provide reviews? If not, the search *Samsung Galaxy Tablet Review* might not be a good keyword to add to the campaign.

**Average Monthly Searches.** These data can be used to project how many impressions and clicks an ad can acquire in any given month. Click the graph icon to the left of the average search volume number to see how many times each keyword was searched over the last 12 months. High search volume keywords will usually drive more impressions and clicks in general, but if a

keyword is not searched very often, it can still generate clicks and make money.

**Level of Competition.** High-competition keywords mean that relative to other keywords, a higher number of advertisers bid on that keyword. Keywords with high search volume and low competition are ideal for getting the most traffic for the least amount of money. Keywords with low search volume and high competition tend to send less traffic and cost more money per click, but sometimes the high CPC is justified because these keywords convert at higher rates.

**Suggested Bid.** Using historical data, Google looks at what other advertisers are paying per click to advertise on that keyword. Advertisers use this information to determine how much they can expect to pay per click to advertise on specific keywords. Because of the unknown variables of each advertiser, it is not the exact amount that each advertiser will pay, but it does provide a close estimate.

## Keyword Research Is Ongoing

Once an advertiser has selected all of its keywords, he will likely think of other keywords later in the process. That is okay. Paid search advertising is not a “set and forget” type of advertising. A company should continually check the performance of its campaigns and update keywords based on their profitability. The company will be able to pause old keywords and add new keywords later.

Besides Google’s Keyword Planner tool, other third-party tools can help a company select which keywords are right for it. One can gain insight into what competing websites pay per click for the same keywords, get estimated data regarding their daily budgets, and get lists of the keywords where competitors have shown up in the past. What works for one company won’t work for all companies. Competitors may actually be losing money on PPC or may be forgetting good keywords. Each keyword should be carefully considered to determine whether it makes sense for a business.

# *Chapter 5 - Section 7 - Analyzing Keyword Data*

An advertiser who purchases television commercials, magazine ads, or billboard space may never be able to ascertain how effective those advertisements are, but search marketers receive data that continuously report the performance of their search ads. These data can help guide an advertiser's decisions about search ad campaigns.

## **Understanding Keyword Performance Data**

As soon as an advertiser activates a search campaign, he will begin gathering keyword data. As this section proceeds, refer to the sample keyword data below in Figure 5.7.1, which displays the results of an actual AdWords Campaign.

Impressions Ads displayed	Clicks Clicked Ads	CTR Clicks/Impressions (%)	CPC Avg. Cost Per Click	Cost Budget Spent	Conversions Goals Achieved	Conv. Ratio Conversions/Clicks
60,367	2,101	3.48 %	0.83 \$	1,742 \$	140	6.66 %

Figure 5.7.1

**Impressions.** Each appearance of an ad on the SERP counts as an impression. In the above example, the advertiser received 60,367 impressions.

**Clicks.** A click is counted each time a searcher clicks on an ad in the SERP. In the above example, this advertiser earned 2,101 clicks, or 2,101 visitors to his website.

**CTR.** The click-through rate (CTR) is the percentage of impressions that yield a click. In the above example, the 60,367 impressions yielded 2,101 clicks for a CTR of 3.48%. CTRs vary by industry, advertiser, ad position, keyword, ad text, and so on. CTRs between 1% and 4% are typical, though an advertiser should be constantly striving to increase the CTR no matter what the current CTR is. A low CTR means few website visits, which in and of itself is bad, but a low CTR will also give the advertiser a low Quality Score, which will drive up the advertiser's cost per click.

**CPC.** The average cost per click (CPC), in concert with the conversion rate, will determine whether the search ads are profitable. In the above example, this advertiser paid an average of \$.83 per click. Because an advertiser's

CPC is calculated dynamically, not all 2,101 clicks cost the advertiser the same amount. Some were more than \$.83, whereas some were less, but on average, they cost \$.83 each.

**Cost.** This advertiser paid an average of \$.83 per click for 2,101 clicks, yielding a total cost of \$1,742 for this keyword. As the next section discusses, an advertiser can set a daily budget for search campaigns. The keywords that lead to the most sales with the best margins deserve the most budget. If an advertiser is reaching his daily budget each day, keywords with lower profit margins should not be allocated budget that could go to better performing keywords.

**Conversions.** Search advertisers should not lose sight of the fact that the purpose of a campaign is to generate conversions and profits, not just impressions and clicks. Each keyword an advertiser bids on should produce conversions. Multiply the profit per sale by the total number of conversions. That number should surpass the total cost to advertise on that keyword. If not, advertising on that keyword is not profitable. In the above example, the advertiser generated 140 conversions. If those 140 conversions generated an average of \$20 profit each, he would have earned \$2,800 in profit from \$1,742 in ad spending, making this a profitable campaign.

**Conversion Ratio.** The conversion ratio is the percentage of visitors who convert. In the above example, 140 of the 2,101 visitors converted, leading to a conversion ratio (or conversion rate) of 6.66%. Conversion rates vary by industry, but if an advertiser suspects his conversion rate is lower than the industry average, he should consider the following actions:

- Make sure the ad and landing page are relevant to the keyword being searched.
- Make sure the ad and landing have a compelling offer that is competitive with the other advertisers.
- If he is doing both of the above, and the keyword is still not producing conversions, he should pause the keyword.

## Utilize Statistically Significant Data

Adjustments should not be made prematurely. Before pausing a keyword due to poor performance, an advertiser should make sure he has enough data to ensure the keyword is indeed performing poorly. For example, if a keyword has 100 impressions and 0 clicks, whether this keyword will have a long-term

CTR of 3% or 0% is unclear. Likewise, if a keyword has generated 10 clicks and no sales, what the long-term conversion rate is likely to be is unclear. An advertiser should wait until he has enough data to make solid conclusions about the performance of that keyword.

# Chapter 5 - Section 8 - Google AdWords Account Structure

Advertisers can save time managing their PPC ads and improve campaign results by properly managing their AdWords account organization. The following diagram (Figure 5.8.1) illustrates the organization of an AdWords account, including an example format for each component.

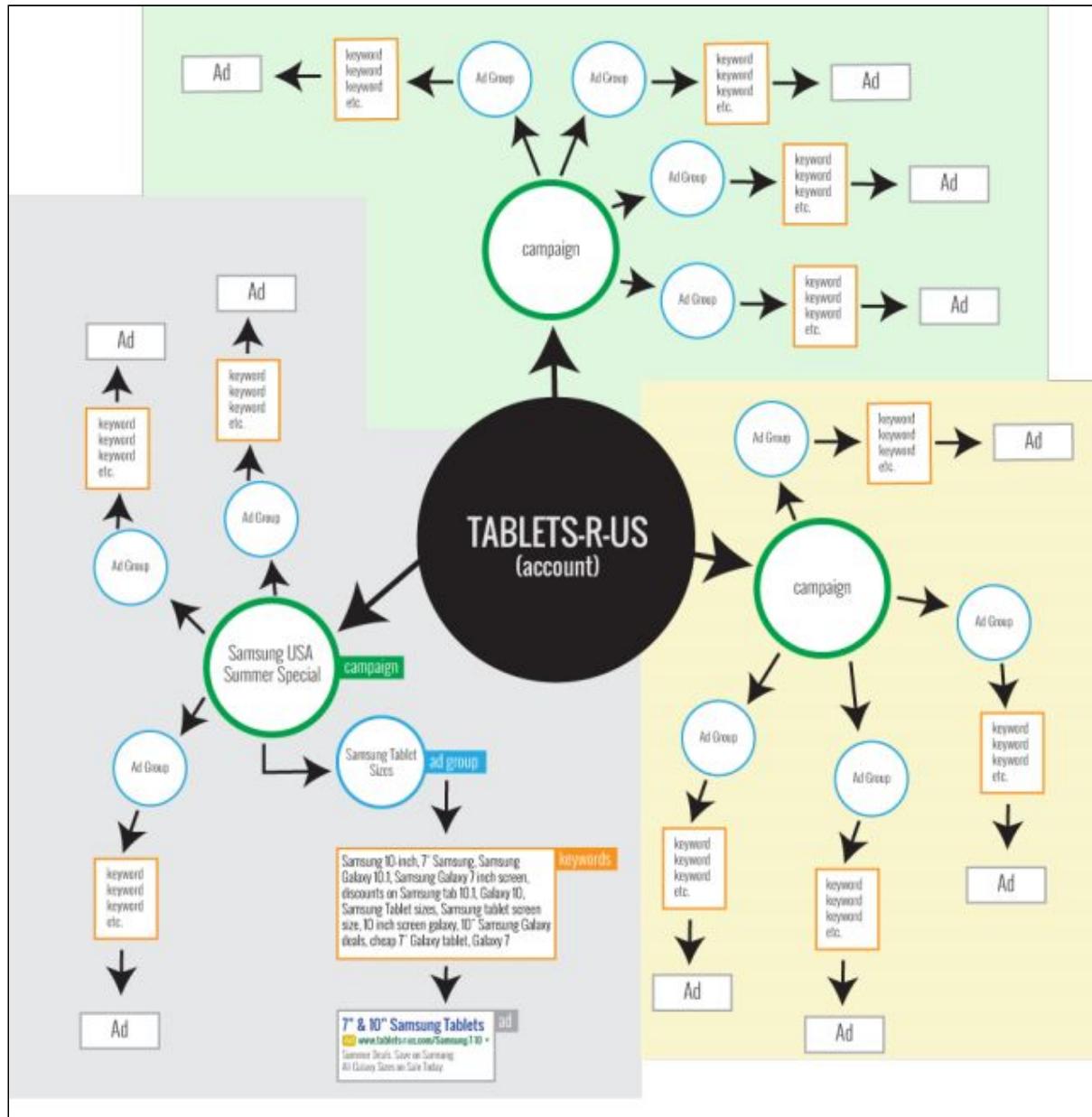


Figure 5.8.1

This section will review the hierarchy of a Google AdWords Account and discuss the key components at each level of the account. Refer back to the diagram above as needed.

## Account

At the account level, advertisers add their credit card information to pay for all of their clicks. Their accounts must be tied to an email and password, created at AdWords.Google.com. Each time they log in to their accounts, they can get a performance overview and manage each of their campaigns as seen in Figure 5.8.2 below:

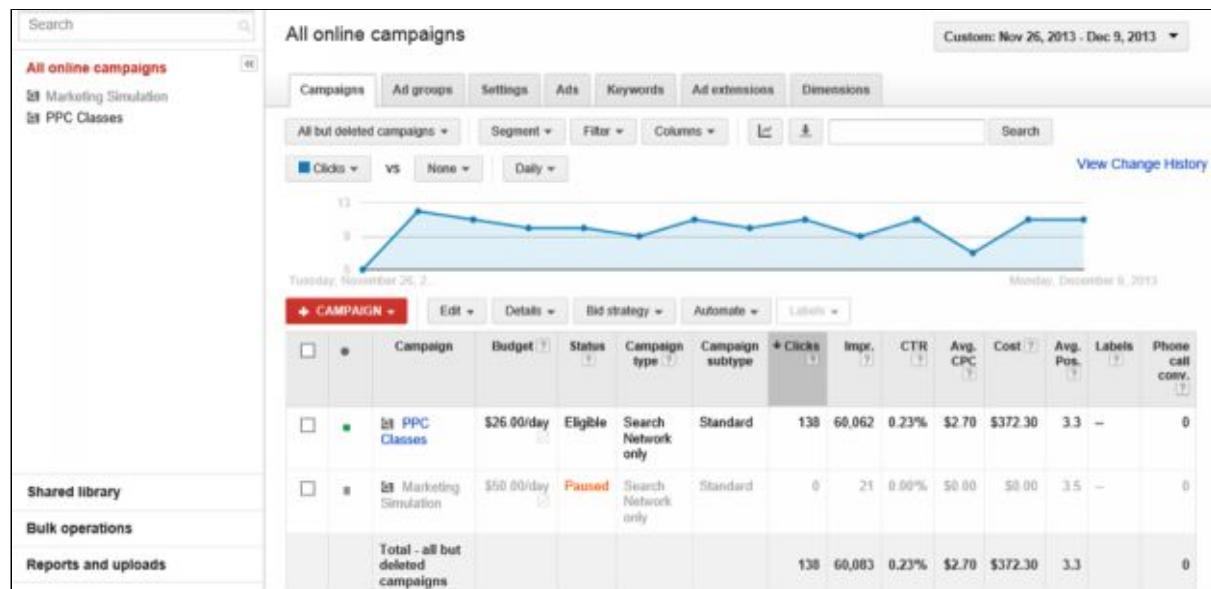


Figure 5.8.2

## Campaign

“A component of your account that allows you to focus your advertising on specific products or services. Each campaign can contain multiple ad groups.” An account can have up to 25 campaigns. By clicking into an individual campaign, and then on the settings tab as seen, advertisers can manage the following campaign settings:

- Name – Advertisers should choose a name that will help them remember the promotions, keywords, ads, and landing pages associated with the campaign.
- Campaign Types – The campaign type they select will determine which campaign settings are available, and they allow advertisers to choose which of Google’s advertising networks they are trying to reach.

- o Search network only – This allows advertisers’ text ads to display on the keywords they target in Google SERPs and other websites that use Google’s search engine results, like AOL.com and Ask.com. Because the list of sites that use Google to power their search engine changes, it is hard to find an up-to-date list of all of the Search Network partners. One way to tell is by looking for the “powered by Google” or “enhanced by Google” logo as seen in Figure 5.8.3, a screenshot from ALOT.com:



Figure 5.8.3

- o Display network only – This campaign type is for running text and banner ads across Google’s network of sites that have given Google permission to run Google’s ads on their site. This relationship between Google and publishers running Google ads on their site is managed through Google.com/Adsense. Learn more about it [here](#). With this campaign type, a company’s ads are never shown in Google SERPs.
- o Search network with display select – This allows text ads to display on the keywords a company selects in Google SERPs, other websites that actually use Google’s search engine results, and websites that display text and banner ads distributed by Google that have content Google deems relevant to the company’s ad. Because this method makes distinguishing between the display and search network results in the campaign difficult, this campaign type should not be used in most cases.
- o Shopping – This campaign type allows an advertiser to separately manage its Google PLAs.
- Device Targeting – Before AdWords launched the controversial Enhanced Campaigns update in 2013, companies could choose whether or not to show their ads on mobile devices like tablets and phones. Now, advertisers by default must run their ads on all devices, but they have the option to set a bid modifier. For example, if a company feels like its ads don’t perform as well on cell phones, it may choose to

decrease its bid by 50%. If the company doesn't want its ad to show at all, it would simply decrease its bid by 100%.

- Location Targeting – Depending on the type of business, and what geography the business serves, a company may choose to show its ads to a select geography. If the company only has stores in Canada, it may only want to target Canada unless it ships its products all over the world, in which case global targeting may make more sense. If the company has specific countries it does not ship to, it can also exclude certain geographies as well.
- Language Targeting – If a company wants to write ads in Spanish and target Spanish keywords, language targeting is ideal. All keywords and ads in this campaign should match the language targeting the company sets.
- Bid Strategy – You can choose from the following bid types:
  - Set bids manually – This option gives an advertiser full control over what his maximum CPC bid is for each individual keyword.
  - AdWords automatically sets bids for the advertiser – All the advertiser has to do is tell Google the maximum amount he is willing to pay for a click, and AdWords sets the individual keyword bids. It uses historical data and algorithms to maximize the number of clicks an advertiser gets each day based on that bid and budget. This is the recommended method for beginners.
    - Using either of the above bid types, an advertiser can enable Enhanced CPC bidding, which gives AdWords the ability to automatically increase bids by up to 30% for clicks that seem more likely to lead to conversions and lower bids for clicks that seem less likely to convert.
    - Cost-per-acquisition (CPA) bidding (also known as Conversion Optimizer) – With this bid type, the advertiser specifies his target CPA, and the search engine automatically sets bids and adjust bids across all of the advertiser's keywords to reach that goal. This option is only available when conversion tracking is properly set up and conversions have

been occurring, because this feature relies on a campaign's historical performance to predict future results.

- o Flexible bid strategies – This strategy is a hybrid model of the above bid types. According to Google, this bid type combines “automated bid optimization with a selection of settings that you control, and can be applied across campaigns, ad groups, and keywords....Advertisers who want to take advantage of the power and ease of automated bidding while maintaining customization, flexibility and control.” Learn more [here](#).
- Daily Budget – Advertisers can set aside a daily budget for each campaign. Remember that if an advertiser has three campaigns, each campaign can reach its own daily budget limit. It is okay if a company's budget is less than its competition's. The advertiser should set a daily limit that makes sense for his business. Google warns, “Once you meet your average daily budget, your ads may stop showing. Traffic fluctuates, so you may spend up to 20% more than your daily budget on a given day.” That said, it is very uncommon for Google to allow your daily limit to be reached day after day, and they will notify you and make recommendations for daily budget adjustments if your daily budget is frequently being reached.
- Ad Extensions – Google chooses where and when to show a company's ad extensions. Those adjustments are made at the campaign level.

The above settings are all managed and adjusted under the campaign settings tab as shown in Figure 5.8.4 here:

The screenshot shows the Google Ads interface for managing a campaign named "PPC Classes".

**Left sidebar:**

- All online campaigns
- Marketing Simulation
- PPC Classes** (selected)
- PPC Classes

**Top navigation:**

- All online campaigns >
- Campaign: PPC Classes

**Campaign status and type:**

- Paused
- Type: Search Network only - Standard [Edit](#)
- Budget: \$26.00/day
- Targeting: Canada; United States

**Tab navigation:**

- Ad groups
- Settings** (selected)
- Ads
- Keywords
- Ad extensions
- Dimensions

**Sub-navigation:**

- All settings
- Devices

**Campaign settings sections:**

- Campaign settings**
  - Campaign name: PPC Classes [Edit](#)
  - Type: Search Network only - Standard [Edit](#)
- Networks** [Search](#) [Edit](#)
- Devices** [All](#)
  - [Change mobile bid adjustment](#)
- Locations** [Targeted locations:](#)
  - Canada (country)
  - United States (country)[Edit](#)
- Languages** [English](#) [Edit](#)
- Bid strategy** [Focus on clicks, manual maximum CPC bidding](#) [Edit](#)
  - [Change ad group bids](#)
- Shared library**
- Bulk operations**
- Reports and uploads**
- Labels**
- Ad extensions**

Figure 5.8.4

When an advertiser finds a campaign that performs well, he can copy the campaign structure and settings to reuse them for future campaigns. However, Google does not allow the advertiser to copy over the ads and keywords from the previous campaign.

## Ad Group

“A collection of ads within a campaign that corresponds to a group of related keywords.”

In each ad group, ads are written and keywords are organized. Companies write their ads at the ad-group level and match them with the best keywords. This is how both Google and the advertiser ensure that the ads in the SERPs relate to the keywords being searched. Keywords in an ad group should all be related in such a way that when the ads are written, the keywords can be included in the ads. If unrelated keywords are in an ad group, a company’s ad will have difficulty matching all of the keywords in the ad group. The keywords in an ad group that are not included in the ad and landing page of the ad will suffer from lower Ad Rank, along with higher CPCs and lower Quality Scores. If that is the case, the advertiser should create additional ad groups for the keywords that don’t fit in with the current ad groups.

Figure 5.8.5 is an example ad group being created in the AdWords platform:

The screenshot shows the 'Name this ad group' section of the AdWords interface. The 'Ad group name' field contains 'Samsung Tablet - Sizes'. Below it, there's a 'Create an ad' section with a text input field containing 'To get started, write your first ad below. Remember, you can always create more ads later.' A link 'Learn how to write a great text ad' is provided. To the right, an 'Ad preview' shows the ad as it would appear to users, featuring the headline '7" & 10" Samsung Tablets', the description line 'Summer Deals. Save on Samsung.', and the display URL 'tablets-r-us.com/Samsung-7-10'. The destination URL is set to 'http://www.tablets-r-us.com/samsung'. At the bottom, there's a note about 'Ad extensions' and a link 'Take a tour'.

**Keywords**

**Select keywords**: Your ad can show on Google when people search for things related to your keywords.

**Tips**

- Start with 10-20 keywords.
- Be specific: avoid one-word keywords. Choose phrases that customers would use to search for your products and services.
- By default, keywords are broad matched to searches to help you capture a wider range of relevant traffic. Use [match types](#) to control this.
- Learn more about [choosing effective keywords](#).

Enter one keyword per line.

- [Samsung 10-inch]
- [Samsung Galaxy 10.1]
- [7" Samsung]
- [Samsung Galaxy 7 inch screen]
- [discounts on Samsung tab 10.1]
- [Galaxy 10]

No sample keywords available.

Figure 5.8.5

Once an advertiser has added its keywords to the ad group, he has the ability to see how much traffic Google estimates it can send it, and the advertiser can set

a default bid for the ad group. This sets the same bid for each keyword in the ad group, but the advertiser is able to make adjustments to his bid on each individual keyword later. After writing his first ad, adding keywords, and entering his default bid, he is able to see how much search traffic Google estimates it can send and at what cost per click, as shown in Figure 5.8.6:

The screenshot shows the Google AdWords interface for managing an ad group. At the top, there's a blue button labeled "Re-estimate search traffic". Below it, a section titled "Estimated traffic summary" provides key performance metrics based on a max CPC of \$3.00 and a budget of \$26.00/day. The metrics include Avg. CPC (\$0.59 - \$0.73), Clicks/day (35 - 43), and Cost/day (\$23.40 - \$28.60). An important note below states: "Important note: We cannot guarantee that these keywords will improve your campaign performance. We reserve the right to disapprove any keywords you add. You are responsible for the keywords you select and for ensuring that your use of the keywords does not violate any applicable laws." A section titled "Ad group bids" follows, with a sub-section for "Maximum cost per click (Max. CPC)". It explains how bids influence ad position and allows setting a default bid of \$3.00. A note says, "You can set keyword-level bids separately." At the bottom are two buttons: "Save ad group" (blue) and "Cancel new ad group".

Figure 5.8.6

## Ads

An advertiser can have multiple ads in an ad group, and he should run at least two variations of the ad at the same time, which will allow him to see which ad performs best. The ads with the higher CTRs and lower CPAs are the ones he will want to continue to run. Ad data are available at both the campaign and ad-group level of the account.

Clicking on the red, “+ AD” button, as seen in Figure 5.8.7 below, allows the user to write additional ads and manage them here.

Ad	Status	Labels	% Served	Campaign type	Campaign subtype	Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. Pos.	Converted clicks	Cost / converted click
7 & 10" Samsung Tablets Summer Deals. Save on Samsung. All Galaxy Sizes on Sale Today! tablets-R-us.com/Samsung-7-10	<input checked="" type="checkbox"/> Campaign paused		—	9.90%	Search Network only	Standard	0	0	0.00%	\$0.00	\$0.00	0	\$0.00

Figure 5.8.7

## Keyword

“A specific word, or combination of words, used to target your ads to potential customers. When a user searches on your keyword, your ad might be shown.”

As seen in Figure 5.8.8 below, keyword bids, keyword match types, and keyword data can be managed at the campaign and ad-group levels. Keyword organization, however, can only be managed at the ad-group level. Once the top performing keywords are determined, separating out those keywords into individual ad groups allows the advertiser to be even more specific in tailoring his ad, landing page, and bids, and to also more readily monitor the performance of that keyword. Although this element of the account hierarchy is listed at the bottom, doing keyword research and organizing all keywords first will save time and energy when creating an AdWords account.

The screenshot shows the Google AdWords Keyword Planner interface. At the top, there are tabs for 'Settings', 'Ads', 'Keywords', 'Ad extensions', and 'Dimensions'. Below these are filters for 'All but deleted keywords', 'Segment', 'Filter', 'Columns', and a search bar. A date range from 'Today' to 'Previous 30 days' is selected. On the right, a link to 'View Change History' is visible.

The main area is titled 'KEYWORDS' and contains a table with the following columns: Keyword, Status, Max. CPC, Clicks, Impressions, CTR, Avg. CPC, Cost, Avg. Pos., Converted clicks, Cost / converted click, Click conversion rate, View-through conv., Labels, and Goal score.

The table lists several keywords related to Samsung products, such as 'Samsung', '7" Samsung', 'Samsung galaxy', '[Galaxy 10]', '[Samsung Galaxy 10.1]', 'Samsung 10-inch', '[Samsung Galaxy 7 inch screen]', and '[Documents on Samsung tab 10.1]'. Most of these keywords have their status set to 'Campaign paused'. The table also includes summary rows for 'Total - all but deleted keywords', 'Total - Search', 'Total - Display Network', and 'Total - all ad group'.

Figure 5.8.8

Note that all of the campaigns, campaign settings, ad groups, keywords, keyword bids, and so on can all be activated, paused, deleted, re-activated, and adjusted at any given time.

Google provides a [step-by-step guide](#) that is a useful reference.

## BingAds

Due to the size and reach of Google AdWords, taking time to discuss AdWords account structure specifically has been worthwhile. Running ads on Yahoo and Bing's search results through the BingAds platform is very similar to AdWords. To learn more about the differences,

see <http://advertise.bingads.microsoft.com/en-us/c1/237/training/intro-to-campaigns-and-ad-groups>.

Google owns the lion's share of searches, but that doesn't mean a BingAds account can't help further a company's success or generate large volumes of traffic. The demographic makeup of Bing and Yahoo users versus Google users differs. Search engine marketers have been known to report higher conversion rates and lower CPCs from their BingAds account, but results vary from one advertiser to the next, and the amount of conversions and total number of clicks are almost always higher with AdWords.

# *Chapter 5 - Section 9 - Keyword Match Types*

## **Keyword Match Types**

Most people have had the experience of doing a search and seeing an ad that didn't seem at all relevant to the keyword searched. Someone types in *snowboard gloves*, only to find ads about latex gloves, leather gloves, and a few about what she was actually looking for. The advertisers with latex and leather gloves should be unhappy about getting impressions on a search for snowboard gloves. First, because such ads do not match the keyword, searchers are unlikely to click on them, thereby reducing the Quality Score of such ads (remember, Quality Score is determined in large part by the click-through rate). Second, a searcher might mistakenly click one of these ads, costing advertisers money when the consumer almost certainly is not going to purchase from them. Advertisers want to minimize the number of impressions their ads receive for irrelevant searches. This section is dedicated to helping companies ensure their ads only show up when they match the keywords searched.

When companies set their ad budgets and convey that information to Google, it is in Google's interest to give those ads as many impressions as possible, and get clicks to those sites so the companies exhaust their budgets. As a result, search engines will show a company's ad on any search for which it can find a keyword match, even if the advertiser would not consider it a good match. For example, if a company tells Google that it wants to advertise on the keyword *pipes*, Google may show that ad any time someone searches for *half pipes*, *white pipes*, *smoking pipes*, *chimney pipes*, and *how to fix a leaky pipe*. If the advertiser is a plumber, he doesn't want his ad to show when someone searches for *chimney pipes*, but Google will not know that if he does not provide these instructions explicitly.

By properly using the various keyword match type commands when entering keywords, advertisers can limit exactly where the ads will show up and where they will not. The diagram below gives a clear picture of how to set the right match types for ads.

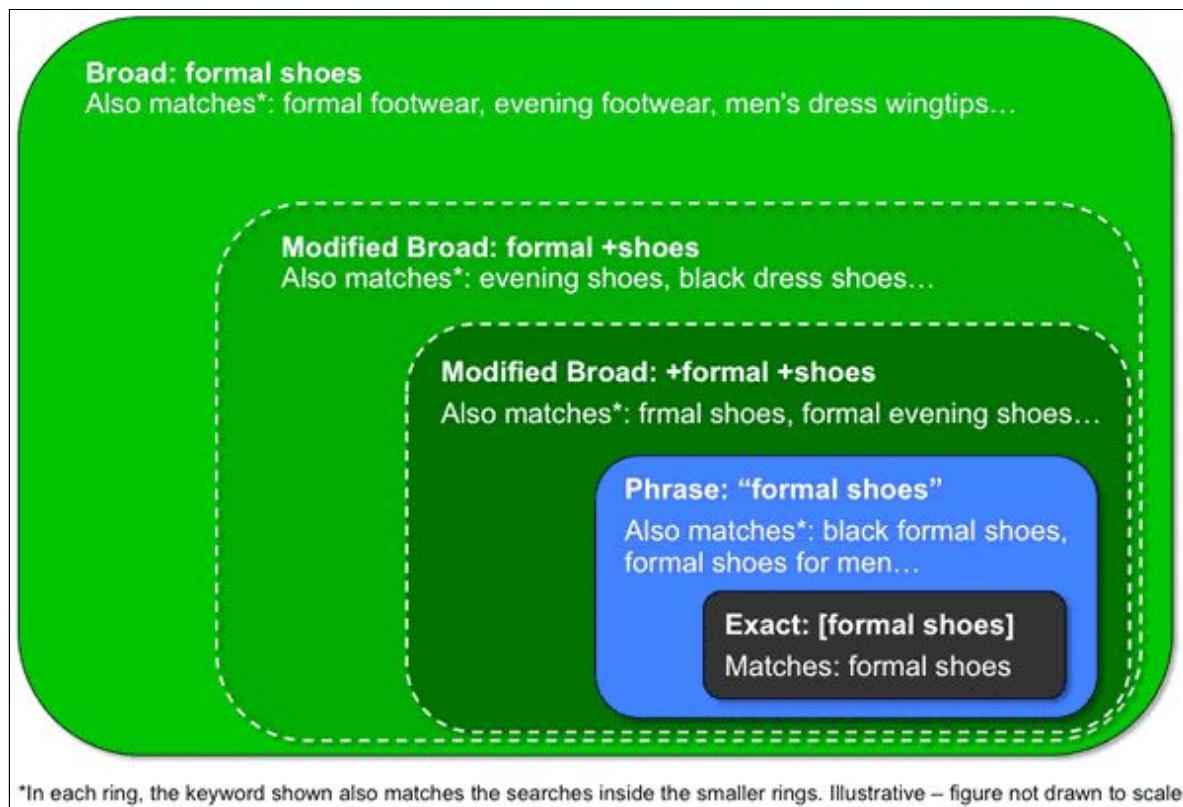


Figure 5.9.1

Image Source: Lisa Raehsler, [Search Engine Watch](#)

**Exact Match.** Putting brackets around [a keyword] instructs Google to show an ad only when someone searches for that exact keyword, with absolutely no variation. The upside of using exact match is that doing so guarantees the ad will not show up for unrelated searches. The downside is that the ad will also not show up for searches that are very closely related and clearly match the intended target. For example, if an advertiser does an exact match ad for *men's watch*, his ad will not show up for searches on *men's watches*, *mens watch*, or *watch for men*.

Examples of when an advertiser should use Exact Match:

- He is certain of the exact keywords people will search where he wants his ad to show
- His budget exhausts quickly
- The search query report is showing lots of irrelevant keyword searches where he doesn't want his ad to appear
- Conversions are being achieved and meeting his expectations

- His ads only match a small number of searches
- He has no need to expand reach
- Searchers misspell words very infrequently

**Phrase Match.** Putting quotations around “a keyword phrase” directs Google to show an ad only when the searcher’s query includes that exact phrase. Phrase match differs from exact match because the search query can also include other keywords at the beginning or end. For example, if an advertiser does a phrase match for “men’s watch,” his ad will also show up for searches on *gold men’s watch* and *men’s watch for sale*, but not for a search on *men’s gold watch*.

Examples of when an advertiser should use Phrase Match:

- When adding keywords to the middle of the phrase could drastically change the context of the search, making the ad irrelevant to the search. If an advertiser is selling Ford trucks, he may not want his ad to appear when someone types *truck muffler Ford F-150*, but he will want the ad to display if someone types *truck Ford F-150*. By putting quotations around “*truck Ford F-150*,” the ad will only show up if the person types that phrase in that order.
- When he is certain of the main phrase people will search, but uncertain of the modifying, descriptive words they will use around the phrase they will search
- When he has a set phrase with an expansive variety of different ways to describe that keyword
- When the budget is not being exhausted by exact match, but he still wants to be certain his ad only shows up for very closely related keyword searches
- Keywords are infrequently misspelled

**Modified Broad Match.** This is a hybrid between phrase and broad match. When you put a plus sign in front of +each +keyword you are commanding Google that you want your ad to show up every time someone searches for those keywords, misspellings of those keywords, and in any order with additional keywords that can be before, after, or in the middle of the phrase.

Putting a plus sign in front of only one of the keywords, and leaving the other keywords without any match type command, means searchers must use the

keyword with the plus sign in its exact spelling, but additional keywords in the search can still trigger broader matches, including words that are misspelled, close variants, or synonyms of the original keywords.

Examples of when an advertiser should use Modified Broad Match:

- If he isn't spending his entire budget on exact and phrase match keywords
- If keywords are often misspelled
- When the keyword phrases are often entered in a different order
- When the keywords are frequently searched with a variety of synonyms

**Broad Match.** Adding keywords to an account without any commands or modifying characters (+, "", or []), directs Google to show an ad on whichever keywords they deem relevant to those keywords, including synonyms. In this case, an ad can be shown on keywords that are at times quite unrelated to the keywords an advertiser entered and chose to bid for.

Examples of when an advertiser should use Broad Match:

- When he feels he has an exhaustive list of Exact, Phrase, and Modified Broad Match keywords yet is not reaching his daily budget
- If he is looking to expand his reach and get more impressions
- When he is unable to generate an exhaustive list of keywords on his own
- When he wants to advertise on long-phrase keyword searches like *how to fix a 1988 Ford F-150 muffler leak*. Coming up with all of the different questions people will ask is too time consuming.
- When his goal is to strictly increase impressions and site traffic.

## Search Query Reports

During ad campaigns and keyword bidding, running a Search Query Report shows all of the keywords that triggered an ad. A wedding videographer in California ran an ad campaign and opened up his ads to Broad Match to expand his reach. Figure 5.9.2 displays the Search Query report:

	Search term	Match type	Added/Excluded	Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. Pos.	Converted clicks	Cost / converted click	Click conversion rate
1	wedding editing	Broad match	None	1	1	100.00%	\$3.93	\$3.93	1.0	0	\$0.00	0.00%
1	jenni vera daughter wedding video	Broad match	None	1	1	100.00%	\$1.64	\$1.64	1.0	0	\$0.00	0.00%
1	video booth confessionalis for weddings in los angeles	Broad match	None	1	1	100.00%	\$2.51	\$2.51	1.0	0	\$0.00	0.00%
1	video for wedding	Broad match	Added	1	1	100.00%	\$2.20	\$2.20	2.0	0	\$0.00	0.00%
1	john goolsby wedding video	Broad match	None	1	1	100.00%	\$3.23	\$3.23	1.0	0	\$0.00	0.00%
1	california wessing video	Broad match	None	1	1	100.00%	\$3.78	\$3.78	2.0	0	\$0.00	0.00%
1	pew clips	Broad match	None	1	1	100.00%	\$2.63	\$2.63	2.0	0	\$0.00	0.00%
1	african american music for wedding highlights	Broad match	None	1	1	100.00%	\$3.02	\$3.02	2.0	0	\$0.00	0.00%
1	videographer for wedding in arkansa	Broad match	None	1	2	50.00%	\$3.99	\$3.99	1.5	0	\$0.00	0.00%
1	wedding videographer	Broad match	Added	2	1	200.00%	\$4.97	\$9.94	1.0	0	\$0.00	0.00%
1	disposable wedding camera	Broad match	None	1	4	25.00%	\$2.89	\$2.89	4.8	0	\$0.00	0.00%
1	best video editing software wedding	Broad match	None	1	1	100.00%	\$3.34	\$3.34	2.0	0	\$0.00	0.00%
1	photo and video for wedding in san fernando	Broad match	None	2	1	200.00%	\$3.23	\$6.46	1.0	0	\$0.00	0.00%
1	videos marrying video	Broad match	None	1	1	100.00%	\$2.96	\$2.96	1.0	0	\$0.00	0.00%
1	thai movie star wedding brooke	Broad match	None	1	4	25.00%	\$2.14	\$2.14	1.2	0	\$0.00	0.00%
1	wedding music video	Broad match	None	1	6	16.67%	\$3.34	\$3.34	1.0	0	\$0.00	0.00%
1	becoming a wedding videographer	Broad match	None	1	1	100.00%	\$1.99	\$1.99	1.0	0	\$0.00	0.00%
1	wedding websites video	Broad match	None	1	1	100.00%	\$3.87	\$3.87	3.0	0	\$0.00	0.00%
1	photography and video for weddings in long beach	Broad match	None	1	1	100.00%	\$3.27	\$3.27	4.0	0	\$0.00	0.00%
1	wedding night videos in los angeles ca	Broad match	None	2	2	100.00%	\$3.24	\$6.47	1.0	0	\$0.00	0.00%

Figure 5.9.1

This report is valuable because it shows where Google chose to show an ad. As in this example, keywords will often show up that don't make sense, and an advertiser would rather not let Google show his ad on that keyword again. If a company's site is intended to generate leads for its wedding videography service, and the company doesn't sell "disposable wedding cameras," it may be wasting money paying for clicks from someone who searched for that unrelated phrase.

## Negative Keywords

Another command is not part of the diagram. It is known as the Negative Keyword Match type. Adding a minus symbol (-) before a keyword directs Google NOT to show an ad any time that keyword is searched. For example, if a company sells men's athletic shoes, but it does not sell men's dress shoes, it should add - *dress* as a negative keyword to ensure that no matter what search query a consumer enters, the ad will not be displayed if the word *dress* is used. Companies should frequently run Search Query Reports

and verify where Google is showing their ads, so they can set new, negative keywords. Negative keywords can be set at the ad-group and campaign levels, but advertisers should proceed with caution, because they may cause their ads to not show places where they would still like them to show.

[This video](#) from Google Adwords is helpful in explaining Keyword Match Types.

# Chapter 6 -

# Online Advertising

Introduction

- 1 - Understanding Display Networks
- 2 - Targeting the Right Audience
- 3 - Banner Ad Design
- 4 - Remarketing
- 5 - Optimizing Banner Ads
- 6 - Consistent Messaging

## Chapter 6 - Introduction

### Chapter 6 Learning Objectives

**After reading this chapter, students should be able to:**

- Describe the role of publishers and advertisers in an ad network.
- Distinguish among CPC, CPM, and CPA bidding strategies.
- Use the Google Ad Planner to identify target audiences for your ads.
- Create a test to determine which of two ads is more effective.

Media websites publish millions of webpages every day. Owners of these news sites, blogs, forums, and other websites work hard to create content that is unique and captivating so that people will visit their sites. In most cases, the only way these publishers generate revenue is by charging advertisers to display ads on their sites.

Display ads, commonly known as banner ads, are the image and text ads that appear on websites. Below is a screenshot taken from dictionary.com, which shows several types of display ads. At the very top is an image ad from Google. Underneath it are two text ads. Farther down on the left is an ad for NYU's business school. On the right is a video ad for IBM. Finally, at the bottom is a space for an ad that experienced technical difficulties.

Dictionary Thesaurus Word Dynamo Quotes Reference Translator Spanish Log In | Sign Up | Premium

**Related Searches**

- Magazine advertisement
- Types of advertisement
- Effect of advertisement
- Create a good advertisement
- Free advertisement
- Television advertisement
- Kinds of advertisement
- Advertising techniques

**Nearby Words**

- advert
- advertisal
- advertis
- advertisment
- advertisng
- advertisng account
- advertisng agency

**Synonyms**

- communication
- announcement
- proclamation
- endorsement
- publication
- declaration
- exhibition

**ad-ver-tise-ment** [ad-*ver*-tahyz-*mənt*, ad-*ver*-tis-*mənt*, -*tiz-*] [?] Show IPA

**noun**

- a paid announcement, as of goods for sale, in newspapers or magazines, on radio or television, etc.
- a public notice, especially in print.
- the action of making generally known; a calling to the attention of the public: *The news of this event will receive wide advertisement.*

Also, *ad-ver-tize-ment*.

**Origin:** 1425–75; late Middle English < Middle French *avertissement*. See *advertise*, *-ment*

**Related forms**

- pre-advertisemnt, noun
- re-advertisemnt, noun
- self-advertisemnt, noun

Dictionary.com Unabridged  
Based on the Random House Dictionary, © Random House, Inc. 2014.  
[Cite This Source](#) | [Link To advertisement](#)

**Relevant Questions**

<a href="#">What Is An Advertisement?</a>	<a href="#">What Is Advertising?</a>	<a href="#">How To Advertise</a>
<a href="#">What Are Careers In Advert...</a>	<a href="#">How To Advertise Auto Parts</a>	<a href="#">What To Do With An Advert...</a>

**World English Dictionary** Collins

**advertisement** or sometimes (US) **advertisement** (ad-*ver*-tsment, -*biz-*, ad-*ver*-tsment, -*tiz-*) [?]

**— n**

**ad**, shortened forms: **advert** any public notice, as a printed display in a newspaper, short film on television, announcement on radio, etc, designed to sell goods, publicize an event, etc

**advertisement** or sometimes (US) **advertisement**

**— n**

Collins English Dictionary - Complete & Unabridged 10th Edition  
2009 © William Collins Sons & Co. Ltd. 1979, 1986 © HarperCollins  
Publishers 1998, 2000, 2003, 2005, 2006, 2007, 2008  
[Cite This Source](#)

**Word Origin & History** Etymology

**advertisement**

mid-15c., "written statement calling attention to" something, "public notice" (of anything, but often of a sale); from Fr. *avertissement*, from stem of *avertir* (see *advertise*). Meaning "public notice" (usually paid), the main modern sense, emerged 1580s and was fully developed by 16c.

Online Etymology Dictionary, © 2011 Douglas Harper  
[Cite This Source](#)

**Server not found**  
Firefox can't find the server at [an-im0.bid.ace.adv](http://an-im0.bid.ace.adv)

**Matching Quote**

*"I have discovered the most exciting, the most arduous literary form of all, the most difficult to master, the most pregnant in various possibilities. I mean the **advertisement**.... It is far easier to write ten passably effective Sonnets, good enough take in the not too inquiring critic, than one effective **advertisement** that will take in a few thousand of the uncritical buying public."*

—Aldous Huxley

**▶ MORE**

**Wait advertisement ad-free? Click here!**

**Related Words**

<b>advertisal</b>	<b>blurb</b>
<b>classified ad</b>	<b>bogus</b>
<b>tie-in</b>	<b>bumper sticker</b>
<b>advert</b>	<b>clickthrough</b>
<b>adit</b>	<b>clipping</b>
<b>bill</b>	<b>comprehensive</b>

**▶ MORE**

**NYU STERN**  
MASTER OF SCIENCE IN RISK MANAGEMENT FOR EXECUTIVES

- One year, executive-friendly part-time schedule
- Modules taught by leading global experts in RISK

SIGN UP TODAY

NEW YORK UNIVERSITY NYU STERN LEONARD N. STERN SCHOOL OF BUSINESS

Figure 6.0.1

Advertisers large and small spend billions of dollars each year to run these display ads. For advertisers, running display ads on these sites can be a very

effective way to drive traffic to, and sales on, their websites. For large brands, display ads can generate revenue beyond the traffic they drive to the brands' websites, by increasing brand recognition, leading to long-term sales growth. Regardless of a company's size, online advertising is likely to be a worthwhile tool in its marketing arsenal.

# *Chapter 6 - Section 1 - Understanding Display Networks*

Consider a website that sells women's dresses and evening gowns. The company knows that hundreds of thousands of websites publish content read by women each day, and it wants to advertise its dresses and gowns on these sites. Imagine this company trying to reach out to each one of these hundreds of thousands of websites via email or over the phone to ask them if they will allow it to run its dress and gown ads on their sites. Each site may have its own criteria for advertisers, including the size of the ads, the placement of the ad on the site, the price for running ads, and what content they allow.

Coordinating ads on each site would require years of outreach and countless hours of maintenance to provide ads to each website owner. Although this method of ad buying still exists today, it is not the norm. Instead, advertisers that want to pay to display their ads coordinate through a display network with websites wanting to display those ads. Figure 6.1.1 illustrates how this works.

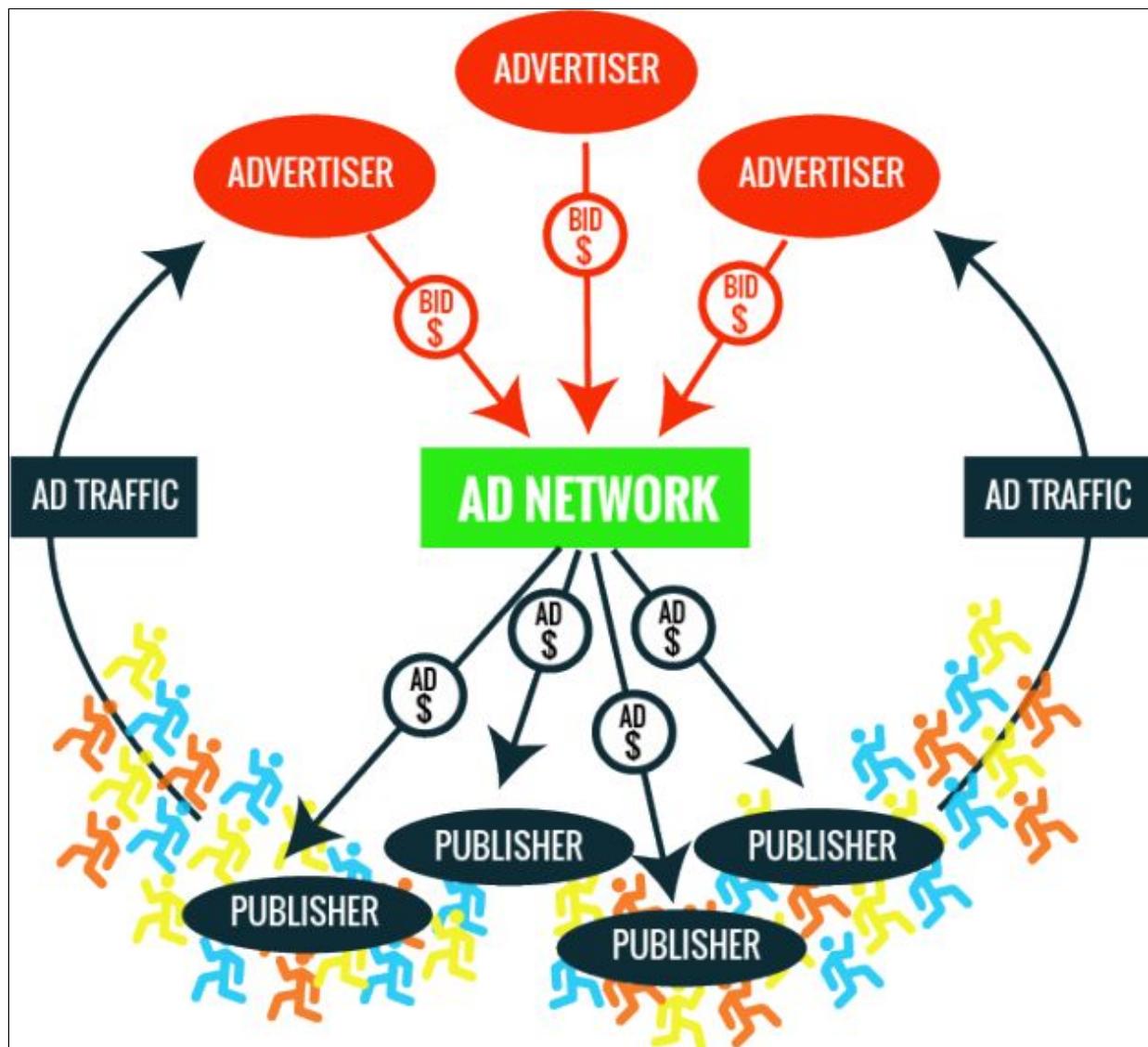


Figure 6.1.1

## Display Network

- A display network consists of a group of online publishers (typically media websites) that agree to a set of advertising standards dictated by the company managing the ad network.
- The display network pays the publishers to run ads on their websites.
- The display network creates standard ad sizes the publishers must agree to display.

- The display network charges the advertisers to run ads on the network of websites.
- The display network reports the ad performance metrics to the advertisers.

## **Publishers**

- A publisher wishing to join the ad network must create an account with the display ad network.
- The website must fit the specifications dictated by the ad network, including correctly sized spaces set aside for advertisements.
- Publishers tell the display ad network what types of content it publishes on its site.
- Publishers are paid a percentage of the revenue the display ad network charges advertisers.

## **Advertisers**

- Advertisers create and upload ads that meet the specifications of the display ad network.
- Advertisers manage their ad budgets on the display ad platform provided by the display ad network.
- Advertisers set parameters regarding the types of sites on which they would like to run their ads.
- Advertisers receive reports on where their ads were displayed.
- Advertisers earn traffic to their website from these displayed ads.

Through this method, all three parties can win:

1. The advertiser makes money from the traffic to their website that comes from hundreds or thousands of different websites, but the advertiser only has to coordinate the ads with the one ad network.
2. The display ad network makes money by charging the advertiser to display the ads on the network.
3. The publisher gets paid a percentage of the revenue made each time the display network charges an advertiser, but the publisher also only has to coordinate with the ad network rather than hundreds of advertisers.

Here is a helpful video from Google about its Display Ad Network.

## Paying for Ads

In a display network, multiple advertisers are likely to want to advertise in the same ad space. To simultaneously resolve the dual problem of determining (1) who gets to advertise in that space and (2) how much the advertiser should pay to advertise there, ad networks use a bidding system, similar to the way ad placements on search engines are allocated. One important difference between the bidding for a search ad and the bidding for a display ad is that display advertisers have multiple bidding formats from which to choose. Whereas search advertisers typically pay on a CPC (cost-per-click) basis (some use a CPA [cost-per-acquisition] basis), display advertisers can pay CPC, CPM (cost-per-mille, or cost per thousand impressions), or CPA.

CPC bidding for display ads works in the same way as CPC bidding for search ads. The advertiser only pays when the displayed ad is clicked, which means the advertiser pays only when the ad brings a visitor to the website. So if an advertiser pays \$0.50 CPC, and an ad yields 50 clicks, the advertiser would owe \$25 regardless whether the ad was shown 1,000 times or 100,000 times.

CPM is the payment method of traditional advertising. If a magazine charges \$20 CPM for a full-page advertisement and it has a circulation of 250,000, an advertiser would have to pay \$5000 for a full page ad in the magazine (\$20 times 250). CPM advertising online works similarly. If an online advertiser pays \$2 CPM, the advertiser would owe \$2 every 1,000 times the display network displayed its advertisement. So if the ad were shown 10,000 times, the advertiser would owe \$20 whether the ad yielded 20 clicks or 200 clicks. Some information about average CPM rates can be found [here](#).

CPA bidding enables advertisers to pay only when their advertisements result in successful conversions. If a website sells flags, and the advertiser bid \$10 CPA, she would owe \$10 every time an ad led to a flag purchase on her website. So if her ads led to 10 purchases, she would owe \$100 regardless of whether those ads brought 100 or 1,000 visitors to her website. To use CPA bidding, a website must have conversion tracking activated in its web analytics package so that the ad network can verify the number of conversions occurring on the website.

Advertisers competing for the same ad space on an ad network may be bidding using different methods, some using CPC, others using CPM, and still others using CPA. As a result, ad networks need to be able to compare bids of different types to determine which advertiser has the highest bid. To make these comparisons, ad networks track the click-through rates (CTRs) of advertisers so they can convert CPC bids into CPM bids. For example, consider the following two advertisers:

Table 6.1.1		
	Advertiser 1	Advertiser 2
Bid	\$3 CPM	\$0.75 CPC
Past Click-Through Rate	.1%	.2%

The first advertiser bids \$3 CPM, so the ad network knows it will earn \$3 every 1,000 times it displays advertiser 1's ad. Advertiser 2 bids \$0.75 CPC. In the past, this advertiser earned a CTR of .2%, or one click every 500 impressions. The ad network calculates that it can expect to earn about \$1.50 every 1,000 times it displays advertiser 2's ad (because those 1,000 impressions should yield about 2 clicks, so  $2 \times \$0.75$ ). In this case, advertiser 1 would be awarded the ad space over advertiser 2. The ad network will perform a similar conversion for any advertisers bidding CPA.

# *Chapter 6 - Section 2 - Targeting the Right Audience*

## **Ad Targeting**

Some brands advertise their product(s) to anyone and everyone. Consider Coca-Cola, for example. Virtually every person in the world is a potential Coca-Cola consumer. A 12-year-old little league baseball player in Japan and a 76-year-old woman in Australia may both be equally profitable for Coke. Other businesses, however, have products that only interest a small segment of people. An online advertiser looking to do banner advertising must identify its target audience so it can plan and execute ad campaigns that reach that audience.

Placing ads on appropriate websites, webpages, and apps is a critical aspect of effective online advertising. Some placements for ads may seem obvious. For example, if a company sells evening gowns, its targeting strategy may entail finding websites that are frequented mostly by women. But such a simplistic targeting method has a number of pitfalls. First, the company may end up advertising on sites with women who would never be interested in purchasing an evening gown. For example, readers of mommy blogs are overwhelmingly female, but these readers may have no occasion to ever purchase an evening gown. Second, the company may miss out on websites that don't match this simplistic targeting metric but would nevertheless be a great place to advertise. For example, a website like student.com is frequented equally by males and females, so it would not fit the target, but the females who visit this site will often be looking for formal dresses for high school dances, so advertising there may be extremely effective.

Ad networks provide advertisers several methods of selecting appropriate placements for their advertisements. We now give a detailed view of the Google Display Ad Planner, which is what advertisers in the Google ad network use to find appropriate placements for their ads.

## **Google Display Ad Planner**

A universal rule of advertising is that the better an advertiser can target the right audience, the more the advertiser is willing to pay for advertising. For this reason, Google has every reason to provide advertisers with effective

means to find the right audience for their ads. To find the right places to advertise online, advertisers begin by selecting general interests for their customers. For example, if a company wanted to advertise its piano music website, it might enter in the following from the home screen of Display Ad Planner:

The screenshot shows the Google Display Planner interface. At the top, it says "Display Planner" and "Plan your next Display campaign". Below that, a section asks "What would you like to do?" with a dropdown menu showing "Get ideas and estimates". Under this, it says "Enter one or both of the following:" and "Your customers are interested in". A search bar contains the text "piano" and "piano music". Below this, there's a "Your landing page" field with "www.website.com" entered. On the left, "Campaign targeting" is set to "United States". On the right, "Campaign type" is set to "Direct response". Below targeting, there's a language setting of "English". At the bottom, there are two buttons: a blue "Get ad group ideas" button and a white "Get placement ideas" button.

Figure 6.2.1

Based on this (rather limited) information, Google will then suggest various methods to find web users that have demonstrated an interest in those topics. Entering in the company's landing page is optional—it can help Google find websites that better match the content of the landing page, but it is not necessary. Google made the following suggestions to find web users with interests in “piano” and “piano music.”

Ad group ideas		Individual targeting ideas		Available network inventory:		
		All ad groups	Keywords	Interests	Topics	Placements
						Add all (67)
Ad group	Contents			Cookies / wk	Impr. / wk	
Topics: Music & Audio	Topics: Arts & Entertainment > Music & Audio, Arts & Entertainment, Arts & Entertainment > ...			100M – 500M	10B+	▶
Interests: Software	Interests: Software			10M – 50M	1B – 5B	▶
Mobile Apps 1	Mobile apps: All Apps > Apple App Store > Music			5M – 10M	500M – 1B	▶
Piano sheet music	Keywords: free disney piano sheet music, piano sheet music free, piano sheet music, printabl...			10M – 15M	150M – 200M	✓
Sites/Channels 1	Sites: freepianosheetsdownload.blogspot.com, pianofiles.com, youtubesheetmusic.com, pian...			1M – 1.5M	10M – 15M	✓
Videos 1	Videos: graffitiypiano (YouTube Channel), newplanotutorials (YouTube Channel), capotastom...			50K – 100K	200K – 250K	▶
Mobile Apps 2	Mobile apps: Piano (Google Play), by nullapp, Piano (Google Play), by ncfrank, My baby pian...			30K – 35K	1.5M – 2M	▶
Interests: Music & Audio	Interests: Arts & Entertainment > Music & Audio, Arts & Entertainment > Music & Audio > Mu...			100M – 500M	10B+	▶
Mobile Apps 3	Mobile apps: All Apps > Google Play > Music & Audio			5M – 10M	100M – 500M	▶
Sheet music 1	Keywords: free piano printable sheet music, free downloadable sheet music piano, piano chor...			4.5M – 5M	450M – 500M	▶

Figure 6.2.2

Google's suggestions come in the form of ad groups, meaning an advertiser can select one of the ad groups, create an ad, enter a bid, and immediately begin getting impressions based on the targeting method used by this ad group. Each ad group uses one of four different targeting methods: (1) keywords, (2) interests, (3) topics, and (4) placements.

**Keyword Targeting.** Placing online display ads based on keywords is similar to running search ads, but instead of an ad showing up when someone searches for one of the selected keywords, it shows up on webpages that use the selected keyword. For example, the “Piano sheet music” ad group was an ad group based on keyword targeting suggested by Google. If the advertiser selects this ad group, his ads will be displayed on webpages using the selected keywords that relate to piano sheet music.

Ad group	Contents	Cookies / wk	Impr. / wk
Piano sheet music	Keywords: free disney piano sheet music, piano sheet music free, piano sheet music, printabl...	10M – 15M	150M – 200M

Figure 6.2.3

Google provides estimates of the number of impressions likely to match the parameters of this ad group. By Google's estimates, about 150 million to 200

million ads will be shown to web users each week on pages that contain the selected keywords. Google also estimates the number of unique computers that will access these ads each week (Cookies/wk). In this case, Google estimates that between 10 and 15 million unique users will view a page matching these keyword characteristics. (In other words, Google estimates that each web user who visits a page containing one of the selected keywords will see about 15 ads on average, either because she views multiple pages containing these keywords, or because the pages she sees contain multiple ads, or both.)

**Interest Targeting.** Whereas keyword targeting shows ads on pages using selected keywords, interest targeting shows ads to web users who have a given interest regardless of the webpage they are viewing. The ad network infers web users' interests based on their past browsing behavior. So in the "Music & Audio" ad group below, Google would show ads to users who have visited music sites in the past but would show ads to these users on any websites in the ad network regardless of the keywords being used on the page. This reasoning explains why the weekly impressions are so high—Google can show the advertiser's ad to these users on any site they visit within the ad network.

Ad group	Contents	Cookies / wk	Impr. / wk
Interests: Software	Interests: Software	10M – 50M	1B – 5B
Interests: Music & Audio	Interests: Arts & Entertainment > Music & Audio, Arts & Entertainment > Music & Audio > Music...	100M – 500M	10B+

Figure 6.2.4

**Topic Targeting.** Like keyword targeting, topic targeting shows ads based on the topic of the website, but rather than match specific keywords, the site need only match the broad topic being targeted. The topics Google suggests as matches for the customer interests that the advertiser inputs vary in how strongly they relate to one another, so Google provides a field to indicate the relevance between the customer interest and the topic. (Also displayed here is another optional field, "Hist. CPC," that reports the price range of a typical click using this targeting method.)

Topic	Relevance	Hist. CPC	Cookies / wk	Impr. / wk
Arts & Entertainment > Music & Audio	██████	\$0.00 – \$1.00	100M – 500M	5B – 10B
Arts & Entertainment	██████	\$0.00 – \$1.00	100M – 500M	10B+
Arts & Entertainment > Music & Audio > Music Equipment & Technology > Musical Instruments > Pianos & Keyboards	██████	\$0.00 – \$1.00	1M – 5M	10M – 50M
Arts & Entertainment > TV & Video > Online Video	██████	\$0.00 – \$1.00	100M – 500M	1B – 5B
Arts & Entertainment > Music & Audio > Music Reference	██████	\$0.00 – \$1.00	10M – 50M	100M – 500M

Figure 6.2.5

**Placement Targeting.** If an advertiser knows a specific website on which he would like to advertise, he can simply choose to buy ads on that site via placement targeting. Advertisers can find specific websites, specific apps, or specific video channels to show their ads.

Mobile Apps 1	Mobile apps: All Apps > Apple App Store > Music	5M – 10M	500M – 1B	
Piano sheet music	Keywords: free disney piano sheet music, piano sheet music free, piano sheet music, printable piano sheet music, download piano sheet music, begin... ...ning piano sheet music, piano sheet music for beginners, piano sheet music for kids, piano sheet music for adults, piano sheet music for... ...	10M – 15M	150M – 200M	✓
Sites/Channels 1	Sites: freepianosheetsdownload.blogspot.com, pianosheetmusiconline.com (Sheet Music Pages, Multiple locations), pianosheetmusiconline.com, pian... ...othesheetmusic.com, youtubesheetmusic.com	1.5M – 2M	10M – 15M	✓
Videos 1	Videos: newpianotutorials (YouTube Channel), graffypiano (YouTube Channel), oysterlovers (YouTube Channel), pianosandkeys (YouTube Channel... ...)	200K – 250K	1M – 1.5M	✖

Figure 6.2.6

An advertiser can find more specific information about each of the sites, apps, or video channels by clicking on that ad group. For example, by clicking on the “Sites/Channels 1” ad group from above, the advertiser would see the following:

Website	Ad formats	Relevance	Hist. CPC	Cookies / wk	Impr. / wk
freepianosheetsdownload.blogspot.com	██████	\$0.00 – \$1.00	5K – 10K	25K – 30K	✓
pianofiles.com	██████	\$0.00 – \$1.00	4.5K – 5K	50K – 100K	✓
youtubesheetmusic.com	██████	\$0.00 – \$1.00	0 – 1K	1K – 1.5K	✓
pianosheetmusiconline.com (Sheet Music Pages, Multiple locations)	██████	\$0.00 – \$1.00	10K – 15K	40K – 45K	✖
pianosheetmusiconline.com	██████	\$0.00 – \$1.00	10K – 15K	40K – 45K	✓

Figure 6.2.7

The advertiser could then deselect specific websites he deems to be a poor match for his advertisements.

A useful video on the Google Display Ad Planner is found [here](#).

## Chapter 6 - Section 3 - Banner Ad Design

An effective display ad must do all of the following:

1. Attract attention – The website visitor the ad hopes to reach is reading/watching/browsing other content. The ads are (figuratively and literally) a sideshow. An effective ad must attract the visitor's attention away from the main content of the page.
2. Communicate a value proposition – The ad can only induce action from the potential customer if it communicates to the customer why the product or service being advertised is worth purchasing/adopting.
3. Invite action – Effectively communicating a value proposition might be enough to invite a web user to click on the ad or to purchase the product later, but effective banner ads typically feature a call to action (CTA), an explicit invitation to click the ad.

Consider the ads of two different diet companies that target a similar market: SlimFast (Figure 6.3.1) and Weight Watchers (Figure 6.3.2).



Figure 6.3.1



### Figure 6.3.2

Both ads attract attention through bold colors and simple messaging. Because both brands are well known, they each feature the brand prominently in the ad. Despite appealing to similar markets, each brand chooses a very different value proposition. Slimfast's unique value proposition (UVP) is an appeal to feminine vanity, reinforced through the image of a slim woman and the pink color of the ad. WeightWatchers' UVP, on the other hand, is a utilitarian appeal to money savings. Both ads invite visitors to click on the ad with a direct CTA ("Start your slimdown" and "Click for coupon").

As a business creates banner ads for its website, it should consider how its ad accomplishes all three of these goals.

# Chapter 6 - Section 4 - Remarketing

Consider an online shopper who is currently shopping for a necklace for his wife on Overstock.com. Immediately after leaving Overstock.com, he heads to his favorite blog site, Cracked.com, and while reading an article, sees the following ad (on the right of the screen):

The screenshot shows a blog post from Cracked.com. At the top left is a small image of a person's face. Below it is a quote: "I was born to indigent sharecroppers at the height of the Great Depression." At the bottom left is a large image of a man in a suit and tie, looking down at something on the ground. To the right of the main text area are two sidebar articles and a sidebar for Overstock.com.

**Horrible Sports Fans Stealing Stuff From Kids**  
Posted: Today

**The Different Stages of Passive Aggression**  
Posted: Today

**overstock.com** **FREE SHIPPING** on any order over \$50

**The Cracked Podcast**

**Why the Internet Is Turning Us Into a Hive Mind With Cracked Staff**  
**GO LISTEN**

**Recommended Podcasts**

Figure 6.4.1

He leaves Cracked.com and heads to Washingtonpost.com for some news. Next to an article he is reading, he sees this:

Get a digital subscription today

**SUBSCRIBE ▶**

ADVERTISEMENT

 overstock.com | FREE SHIPPING OVER \$50



To get to that meeting the book ranges over a great deal of ground: Middle East history; infant sleep techniques; the psychology of guilt; and the family's move to Adams Morgan, with both working at the Charles E. Smith Jewish Day School in Rockville, after the bombing. It also includes a taut description of anxiety (as in "an internal drawstring was suddenly pulled, and in a beat my lungs constricted") and a poignant and cheeky description of Israel ("in essence, one large, dysfunctional family — for Jews, at least — the family that survived Nazi Germany, pogroms, and global anti-Semitism to arrive on a sliver of land where they now fight simultaneously for survival and the right to a good wireless plan.")

Since the book's publication last summer, however, it's Harris-Gershon who has become the story, a proxy for the Jewish community's internal struggle over the meaning of free speech and three words: boycott, divestment and sanctions (BDS). In a July 2012 blog post in the magazine Tikkun, which represents the "religious and spiritual Left," Harris-Gershon announced that he had chosen to "formally endorse and embrace BDS" as the only way to stop the Israeli occupation of the West Bank.

When his book appeared 15 months later, he dutifully started making the rounds of various Jewish book festivals and literary programs, and he had been scheduled to speak at the Washington, D.C. Jewish Community Center (DCJCC) in March. That never happened.

Unknowingly, says Harris-

DC Scout

Going Out Guide

**Subscribe**

See all Washington Post Newsletters >

ADVERTISEMENT

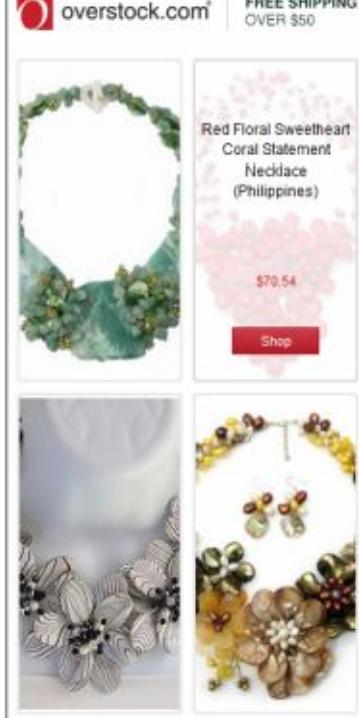


Figure 6.4.2

In the middle of that article, he sees a word he doesn't recognize, so he heads over to Dictionary.com to look up that word. The homepage shows the following:

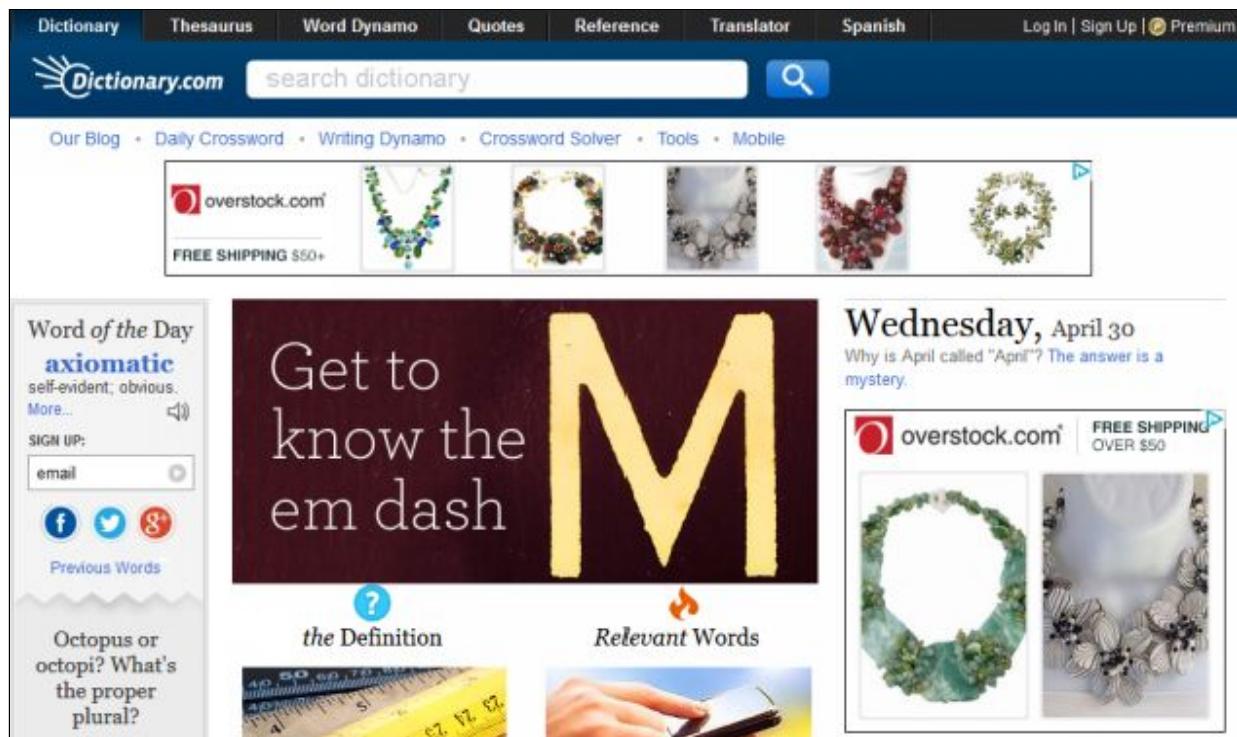


Figure 6.4.3

Why did ads for Overstock.com show up on all three of these websites? Either Overstock.com happens to advertise profusely on every site this particular shopper uses, or Overstock.com is engaging in a practice called *remarketing* or *retargeting*.

Remarketing or retargeting is the practice of displaying ads to web users who have already visited that site. In the Overstock.com example, a visitor to Overstock.com was later shown Overstock ads on three different (and unrelated) websites, because Overstock.com purchased remarketing ads, or ads targeted at web users who had previously visited Overstock.com. By purchasing remarketing ads, Overstock.com hopes to induce return visits from customers, as the graphic below illustrates.



Figure 6.4.4

## How Remarketing Works

Remarketing occurs through an ad network. When Overstock.com determines it wants to display ads to previous visitors, it will instruct its ad network to display ads to these previous visitors. These previous visitors to Overstock.com will have a cookie in their browsers, placed there by Overstock on their previous visit. Whenever one of these Overstock visitors navigates to a website within the ad network, the ad network will be able to see this Overstock cookie and display Overstock's ads to these targeted visitors. (Refer back to chapter 1 for a quick refresher on internet cookies.)

In examining the Overstock.com ads from the earlier example, note an additional level of sophistication being used in these ads. These ads did not display random assortments of Overstock.com products. Rather, every ad displayed necklaces—the same product category the visitor just purchased. Overstock.com's remarketing ads, in addition to simply targeting previous visitors, are able to target those visitors with the products in which they have shown interest. The cookies Overstock.com placed on this visitor's browser included enough information to instruct the ad network which types of products this web user was interested in purchasing.

It is important to note that the targeting of previous Overstock visitors occurs through the ad network and that Overstock.com itself does not have the ability to track these visitors across the internet. Privacy advocates are becoming increasingly concerned about the amount of information internet companies are able to gather about internet users. Remarketing occurs through the ad network—Overstock.com cannot monitor an individual's web browsing habits.

However, in this prior example, Overstock.com will receive a report from the ad network informing it that this visitor was displayed Overstock ads at Cracked.com, Washingtonpost.com, and Dictionary.com, effectively giving Overstock.com a report about a lot of this visitor's browsing habits.

## Remarketing Profitability

The previous example shows that Overstock.com advertises on Dictionary.com. Consider two different visitors to Dictionary.com. One visitor has a cookie on his browser indicating he has previously visited Overstock.com. The other does not. Which Dictionary.com visitor is Overstock willing to pay more to advertise to? The visitor with an Overstock cookie is obviously more valuable to Overstock, and so Overstock will be willing to pay more to advertise to that visitor. Any web user who has previously visited Overstock has a demonstrated interest in Overstock and its products, making that visitor much more likely to make a purchase on the site than a random web user.

For this reason, remarketing is a very profitable advertising technique. The advertiser is able to target visitors with a demonstrated interest in its site, resulting in a higher conversion rate and higher profitability. The ad network makes more money because it can charge advertisers a higher rate to target these visitors. Because the ad network shares ad revenue with web publishers on a percentage basis, the publishers also make more money. Finally, the web users can be considered better off as a result, because the ads they see are more likely to be for websites from which they are interested in buying.

## Remarketing Settings

The AdWords platform provides a variety of remarketing options that enable advertisers to target only specific audiences, and not just all previous visitors to their sites. Below is a list of some of the diverse visitors an advertiser can specifically target with remarketing ads:

1. Everyone that has visited any page on the advertiser's site
2. Anyone that has visited only the advertiser's homepage
3. Visitors that did NOT make a purchase
4. Visitors that added an item to the shopping cart
5. Customers that made a previous purchase that the advertiser would like to up-sell or cross-sell

6. Visitors that have been to the advertiser's site within a specific time period (usually 30-90 days)

Quick Tip: A company's ad should not show too often. The advertiser can set up frequency capping to avoid his ad being displayed too many times to the same person in the same day.



Figure 6.4.5

For more information on remarketing settings, read this article by Brad Geddes <http://searchengineland.com/are-you-creeping-out-your-customers-with-remarketing-98980> and this article from Google AdWords about setting up remarketing campaigns: <https://support.google.com/adwords/answer/2476691?hl=en>.

The Adwords video [here](#) also describes how to set up remarketing for a site.

## *Chapter 6 - Section 5 - Optimizing Banner Ads*

When a major brand like Coca-Cola or Tide decides to create a new marketing campaign, a large portion of this campaign is likely to be a series of television advertisements. The brand will contract with an ad agency to create the television commercial(s) that will air. The ad agency will conduct a number of focus groups and other market research tests to ensure the commercial tracks well, or in other words, that consumers like the commercial and are more likely to purchase the product after watching the commercial. But once the commercial begins airing on TV, the success of the commercial is largely a matter of faith—the brand simply has to trust that the commercial is increasing consumer purchase intent.

A major advantage of online display advertising is the fact that the effectiveness of the ads can be directly measured. If a company purchases ad space online, it will receive a report of where those ads showed up and how many clicks they generated. By tracking the traffic coming from these ads in its analytics package (which it absolutely should), the company can easily calculate how much revenue its ads generated. This calculation of revenue in turn makes the ROAS calculation (return on ad spend) very simple.

The ease of tracking ad effectiveness also makes A/B testing easy, and it is a practice a company should be using constantly with display ads. A/B testing involves creating two versions of an ad, showing both at random across the ad network, and allowing the numbers to determine which ad is more effective. For example, below are the results of an A/B test that was run with ads for Simplicity Software:

**Ad A** (Figure 6.5.1): The original ad with a gray button.

**Impressions:** 20,000    **Clicks:** 160    **CTR:** 0.8%    **Conversions:** 4

**Conversion Rate:** 2.5%



Figure 6.5.1

**Ad B** (Figure 6.5.2): Ad B was created to test whether a green button with white text would perform better than a gray button with black text.

**Impressions:** 20,000   **Clicks:** 185   **CTR:** 0.925%   **Conversions:** 5

**Conversion Rate:** 2.7%



Figure 6.5.2

**Ad C** (Figure 6.5.3): Once Ad A was outperformed by Ad B, Ad A was paused, and Ad C challenged Ad B using black letters instead of white letters in the green button.

**Impressions:** 20,000   **Clicks:** 225   **CTR:** 1.125%   **Conversions:** 8

**Conversion Rate:** 3.55%



Figure 6.5.3

In the end, Ad C had a higher CTR and conversion rate.

Each minor change in an ad leads to a new variation that can be tested against the original ad. In the above example, when each ad had reached the threshold of 20,000 impressions, the performance of each ad was compared. Note that something as small as changing the color of the text on a button can improve CTR, and more importantly, it can even impact conversion rates.

## Chapter 6 - Section 6 - Consistent Messaging

The following Mother's Day ad from 1800Flowers.com appeared to a visitor on dallasnews.com:



Figure 6.6.1

The ad reminds potential customers they have just three days left to order, creating urgency and inviting visitors to shop now. The high-quality, vibrant product image and color scheme make the ad stand out on the page. The \$10 off savings on “Mother’s Day Flowers & Gifts” entice the site visitor to click-through. Visitors who clicked on the ad arrived at this landing page (Figure 6.6.2):

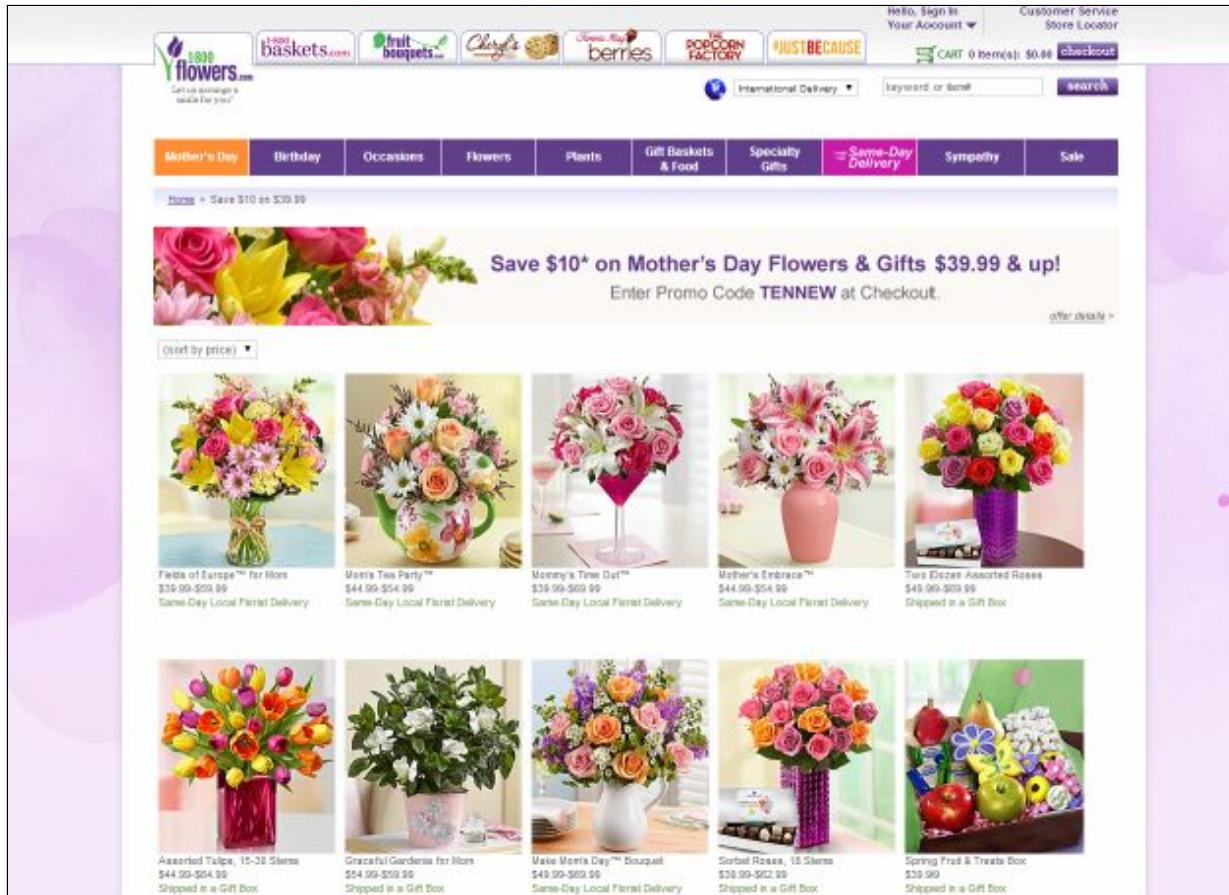


Figure 6.6.2

Just as the ad promised, the landing page includes a variety of Mother’s Day flowers and gifts in the price range mentioned, accompanied by the promo code to save \$10. The look and feel of the site matches that of the ad. By creating a landing page that fulfills the expectations set by the ad, 1800Flowers will likely have a high conversion rate from this ad.

Below is another example from Hollisterco.com:



Figure 6.6.3

Clicking on the banner ad takes visitors to this landing page:



Figure 6.6.4

The landing page does nothing to continue the “Beach Pass” theme of the banner ad, nor does it indicate to the web user that he/she is about to save 30% on the purchase. This landing page gives visitors “anticippointment”. They were anticipating specific information on the landing page, but were disappointed to see a landing page that seemed completely unrelated to the ad that brought them there.

As a company plans ad campaigns and prepares content for its website, its messaging must be in line with the messaging on its site. No matter where people interact with a brand, online or offline, in the car or at the gym, the brand message must stay consistent.

## Three Ways to Stay Consistent

1. Tout the same value propositions.
2. Use similar calls to action.
3. Enact the same design elements (color scheme, characters, fonts, imagery, etc.)

# Chapter 7 -

# Landing Page Optimization

Introduction

- 1 - Types of Landing Pages
- 2 - Elements of a Landing Page
- 3 - Conversion Rate Optimization

## **Chapter 7 - Introduction**

### **Chapter 7 Learning Objectives**

**After reading this chapter, students should be able to:**

- Identify the various types of landing pages.
- Design a landing page that makes effective use of colors, trust symbols, buttons, images, and forms.

A large portion of any company's internet marketing efforts is geared toward driving traffic to its website. All of those many efforts to attract visitors to the website will be wasted if visitors end up at a webpage that does not capture their attention and convert them into customers.

In this chapter, we will review the types and elements of website landing pages. We will discuss various techniques to keep visitors engaged and convert them into customers.

# *Chapter 7 - Section 1 - Types of Landing Pages*

## **What is a Landing Page?**

A landing page is the first webpage that a visitor to a site sees. It could be the home page, a product page, or a stand-alone page created to be the destination when someone clicks on a banner ad. Any page of a website can be a landing page for some visitors, but internet marketers typically try to funnel the majority of traffic to landing pages created specifically to maximize visitor conversion. Not every website is an eCommerce site, so not all landing pages have the same goals. This section examines five common landing page types.

**Subscription Landing Pages.** A media website makes more money as traffic increases, and one way to increase traffic is to sign visitors up for subscriptions. To do so, media sites will often use site overlays (also known as pop-up windows) asking the visitor to subscribe. In other cases, when sites expect a new piece of content (video, blog post, article, or infographic) to be especially popular among potential subscribers, they will run an ad to drive traffic to this content with a prevalent call to action (CTA) inviting the visitors to subscribe. Figure 7.1.1 is an example from The New York Times' site:

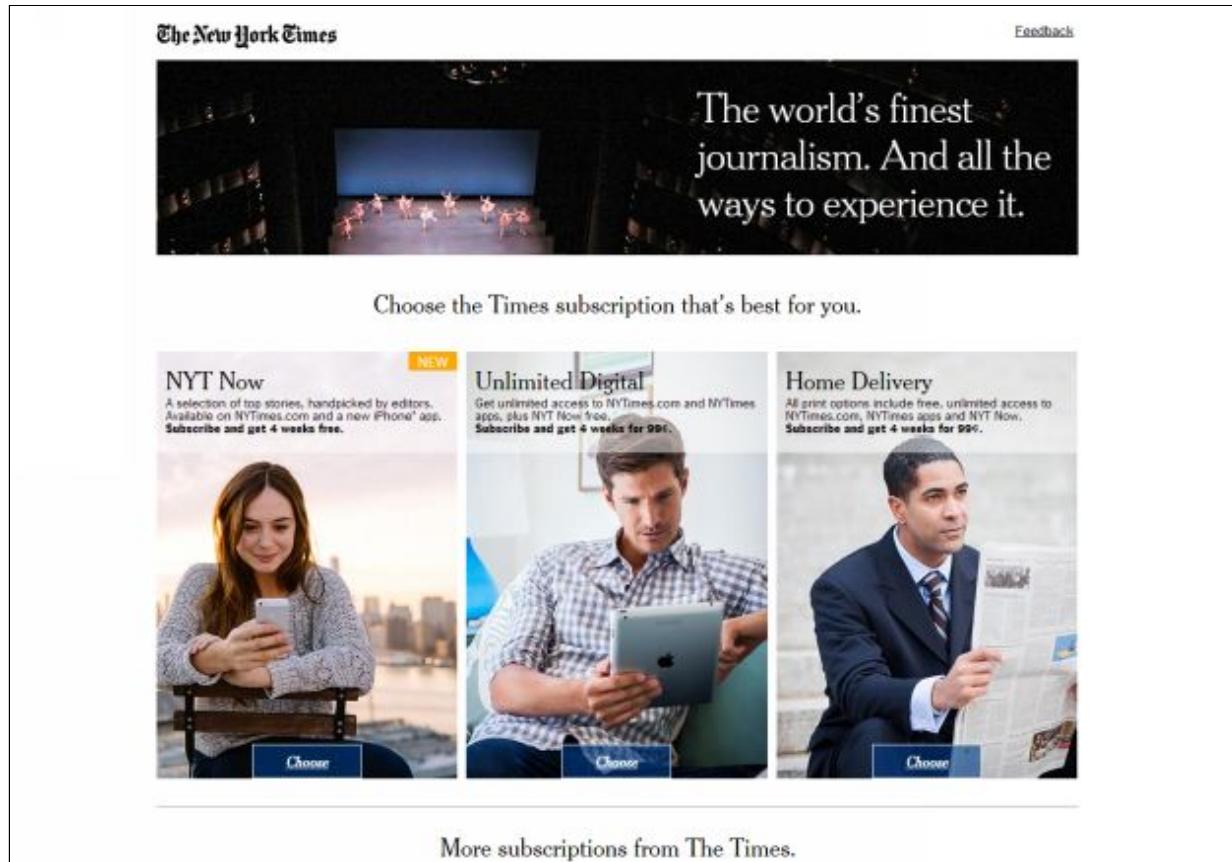


Figure 7.1.1

**Long-Copy Landing Pages.** Some products require an extended explanation, either because the product is not well known or because it is a complicated product that requires a thorough description. Selling such a product online requires a long-copy landing page, which includes enough information to provide the complicated explanation necessitated by the product. Interspersed throughout the content will be bold and large calls to action. These are the infomercials of the internet. Figure 7.1.2 is an example from non-hybrids-seeds.com:

**CITY SURVIVAL SEED VAULT™**

**Food Security for small spaces  
Don't wait for an emergency!**

**100% Non-GMO, Non-Hybrid, Heirloom Seeds**

**100% Moisture Reduced, Sealed in TIN CAN**

**100% Freshness you need now or long-term storage**

**INCLUDES FREE: City Survival Growing Guide™**  
written by "square foot gardening" experts (\$1.95 value)

**Provides up to DOUBLE the shelf-life of other seeds + 10 years  
USDA-developed moisture reduction method for long-term storage**

**Questions? Call us:  
877-980-SEED (7333)  
or chat online**

**\$39.95**  
Regular Price \$79.95  
**\$69.95**

**SAVE & SECURE your Backup Plan**  
Purchase 2 CITY SURVIVAL Seed Vaults and save \$10  
**Buy 2 and Save Instantly! ABOVEMKT**

**CITY SURVIVAL GARDENING**

Growing a **SURVIVAL GARDEN** indoors, in windows, on balconies and rooftops is easier than you think and it just might be your best choice! Our EXPERT Square Foot Gardeners designed the **CITY SURVIVAL SEED VAULT** with the perfect seeds for small space food production.

**NOW included FREE (\$7.95 value) the popular booklet: *City Survival Gardening Guide***  
written by "square foot gardening" experts (\$1.95 value)

**INCLUDES FREE: City Survival Growing Guide™**  
written by "square foot gardening" experts (\$1.95 value)

Your seeds are prepared for long-term storage & primed for planting NOW!

Heirloom Organics uses the USDA-developed **VAULT** method of moisture-reduction which provides up to DOUBLE the shelf-life of other seeds. Unlike some generic suppliers who simply repackage eggs and dried beans, we use the **PREPARE** them process using USDA methods to reduce moisture before sealing.

**AMAZING!** If you were the security of knowing you can plant tomorrow or 7 years from now

**How do you gain food security in an apartment or small living space?**

**\$39.95**  
Regular Price \$79.95  
**\$69.95**

**SAVE & SECURE your Backup Plan**  
Purchase 2 CITY SURVIVAL Seed Vaults and save \$10  
**Buy 2 and Save Instantly! ABOVEMKT**

**Better SEEDS make better FOOD**

Our seeds are chosen by Square Foot Gardening EXPERTS for the best results in small space, low-light gardening. They are 100% Non-GMO, Non-Hybrid, Heirloom and are the freshest seeds from this year's harvest. We provide the highest seed count for the money and prepare the seeds with USDA-developed moisture-reduction before hermetically sealing in air-tight buckets. Some generic suppliers are **leaky**, not moisture-proof instead of air-tight.

**Why you should buy these seeds...**

- High seed count for the money
- Selected by EXPERTS for small-space/low-light
- Sealed in AIR-TIGHT BUCKETS, not leaky cans
- Freshest seeds from this year's harvest
- All EXPERT instructions for maximum success
- 100% American-grown, Non-GMO, Non-Hybrid

**How our experts designed your VAULT**

- Herb gardens that require little light & space without moisture reduction are excluded
- SUPERFOOD requires light in Tomato, Cilantro, Radish, Cabbage and other vegetable varieties
- Vegetables that are easiest choice with strong flavor, providing the best in taste and health benefits
- Vegetables that can be grown inside, on tables, in windows, on balconies, on rooftops, even with more sunlight
- Vegetables that can be eaten quickly and at all stages of growth: Peas, Radishes, Baby Spinach and Leafy greens
- HUGE seed count for extra security. Some generic suppliers talk big but deliver small amounts of seed

**Included Seeds**

Arugula	1,120
Basil	8
Beets	20
Cabbage	380
Cilantro	432
Cress	140
Collards	1,080
Coriander	8
Kale, Red Russian	160
Kale, Dwarf Blue	750
Lettuce, Coslett	1,120
Lettuce, Buttercrunch	960
Lettuce, Romaine	120
Mint	40
Parsley	96
Radish	120
Spinach	210
Stone Crop	90
Turner	100
Total Seeds: 21,350	

**CHOOSE NOW**  
21,350 Seeds for food security  
or 42,700 for added security,  
butter, flour, back-up, storage  
**Choose 2 and save \$10**

**\$39.95**  
**\$69.95**

**Buckets or Cans? The answer could mean survival**

**Leaky TIN CANS**  
used by some generic suppliers

**OR**

**CITY SURVIVAL SEED VAULT**  
Durable, sealed  
waterproof  
bucket used by  
**PROFESSIONALS**

Figure 7.1.2

**Single-Product Landing Pages.** If a company advertises a specific product (in an ad or in an email), the landing page should be all about that same product. Within seconds of hitting this landing page, visitors should see all of the following:

- Product image
- Unique value proposition (UVP)
- Call to action
- How to proceed
- Familiar color scheme & logo

Figure 7.1.3 is an example landing page from a Samsung Galaxy S5 ad:

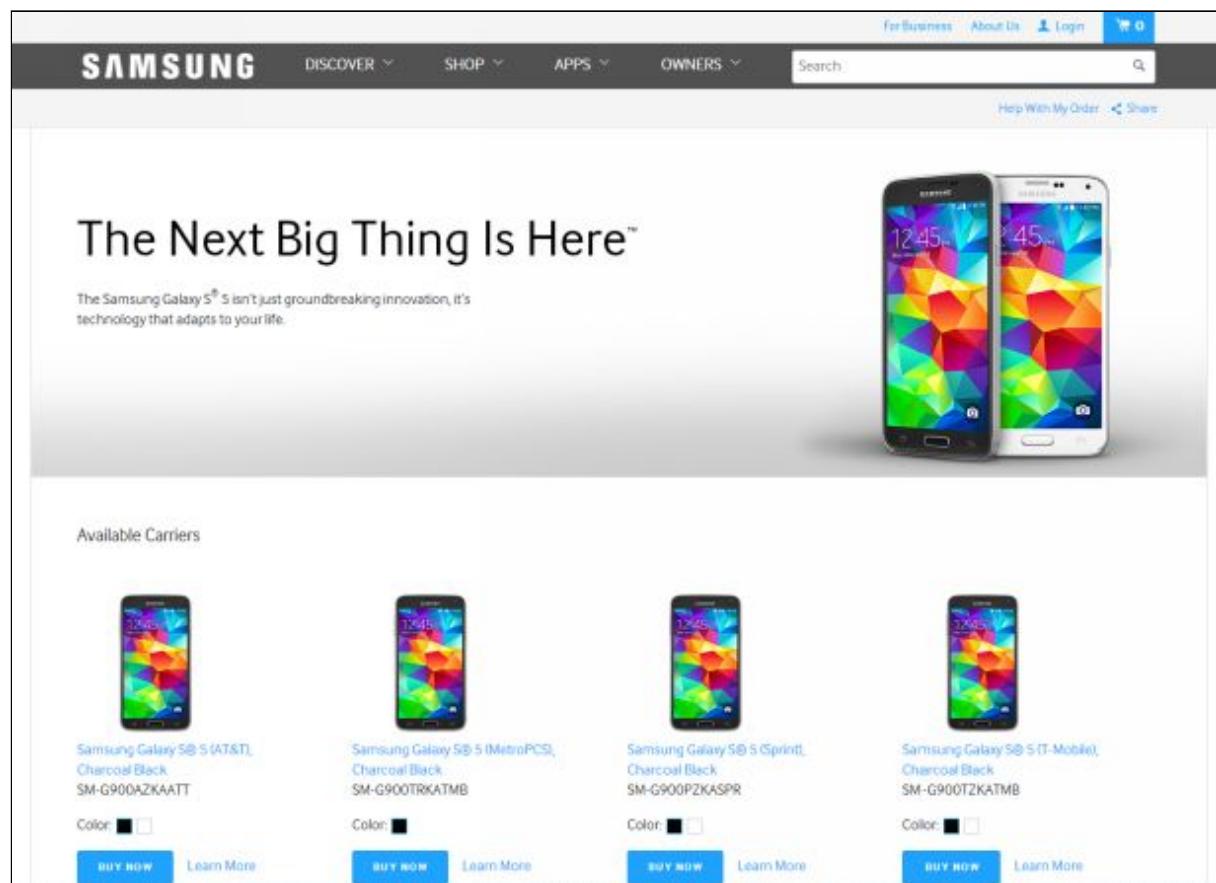


Figure 7.1.3

**Multi-Product Landing Pages.** If a company advertises a product category (e.g., “Discounted running shoes” or “Best-selling men’s watches”), anyone who clicks this ad should arrive at a landing page featuring multiple products

from this product category. The same rules that apply to single-product pages also apply to multi-product pages (e.g. they should see product images, a unique value proposition, etc.), but the challenge is finding the best way to display multiple products without giving the visitor information overload. Prioritize the order of products so that the best sellers and the products with the best margins show first. Make sure multiple products are visible above the fold. (“Above the fold,” also known as the “upper fold,” is the portion of the website that can be seen without having to scroll down.) It is also helpful to include a product search feature to ensure visitors can find the product they had in mind when they clicked the ad. Figure 7.1.4 is the landing page for an ad from JustBallGloves.com:

The screenshot shows the JustBallGloves.com website with a yellow header bar. The header includes the website name, a timer for '7 Hours & 7 Minutes Left', and links for 'Order Lookup', 'Customer Service', and 'Returns'. Below the header, there's a search bar and a navigation menu with categories like 'Gloves' and 'Baseball'. A sidebar on the left offers filtering options for glove type ('Baseball', 'Female Fastpitch', 'Slow Pitch Softball', 'Youth') and sub-type ('Catchers Gloves', 'Fielders Gloves', 'First Base Gloves', 'Vintage Gloves'). Another sidebar lists thrower preferences ('Left Hand Thrower', 'Right Hand Thrower') and positions ('All Positions', 'Catcher', 'First Base', 'Infield', 'Outfield', 'Pitcher', 'Second Base', 'Short Stop', 'Third Base'). A third sidebar shows deals ('Closeout Gloves'). The main content area features a section titled 'Most Popular Baseball Gloves' with four product cards. Each card displays a baseball glove image, its original price (e.g., '\$59.99'), its discounted price ('\$69.99'), and a star rating. To the right of the products is a 'POPULAR BRANDS' sidebar with logos for Rawlings, Mizuno, Nokona, Wilson, and others. Further down are sections for 'GLOVE DEALS' and 'TESTIMONIALS'.

Figure 7.1.4

An alternative to the multi-product landing page is a multi-category landing page. This alternative is common when the product type has enough variation that people are likely to have general category preferences, even if they don't have specific product preferences. For example, a landing page for baseball bats may offer additional navigation to either a wooden bats or aluminum bats page, rather than combining all bats on the same landing page. Helping website visitors refine their preferences before exposing them to products can be beneficial for conversion.

**Lead-generation Landing Pages.** Most lead-generation sites want visitors to either call in or fill out an email form. Thus a landing page should show a phone number prominently in the upper fold, typically with a call to action, and it may also provide a contact form with an additional call to action. Performing A/B tests on landing pages using different value propositions, calls to action, buttons, images, form placement, phone number placement, and trust symbols can help a company find the perfect combination for increasing conversions. Figure 7.1.5 is a landing page from a Rescue Rooter ad:

Figure 7.1.5

## Word of Caution

Landing pages should not include unnecessary distractions. Check each element on the landing page. If the element does not directly impact the visitors' decision to reach the goal an advertiser has in mind, the company is

probably better off removing it from the page. A company can perform A/B tests on landing pages to determine whether specific features of the page are helping or hindering conversion rates.

# *Chapter 7 - Section 2 - Elements of a Landing Page*

## Navigation

The home page of most every website includes a navigation bar of tabs to various pages on the site. Specific landing pages may be better off without a navigation bar. With this element removed, the user may be more likely to stay on task and convert. But the navigation bar may be a critical element for some buyer types and products. For example, service-based businesses and high-priced products often need to provide more information than will fit on a single landing page, so a navigation bar is critical.

## Colors

If a company advertises on other websites using banner or text ads, the color scheme on its ad's landing page needs to match the ad campaign theme and message. The base colors will often be in line with the normal look and feel of the website, but the advertiser can use different colors to draw the eye's attention to its call to action (CTA) and goal.

Nikon runs a banner ad featuring three of its products, using black, grey, and yellow.



Figure 7.3.1

On the landing page, a dark (yet vibrant) background with the same yellow color appears. The bright yellow “start” button in the center of the page draws the most attention.



Figure 7.3.2

The FanDuel fantasy league site ran this blue and green banner ad:



Figure 7.3.3

The landing page still uses those same colors from the ad, but the orange button helps the main CTA stand out more than other elements on the page. The page uses red and yellow colors on other parts of the page to help the trust symbols stand out. We will talk more about trust symbols later in this chapter.

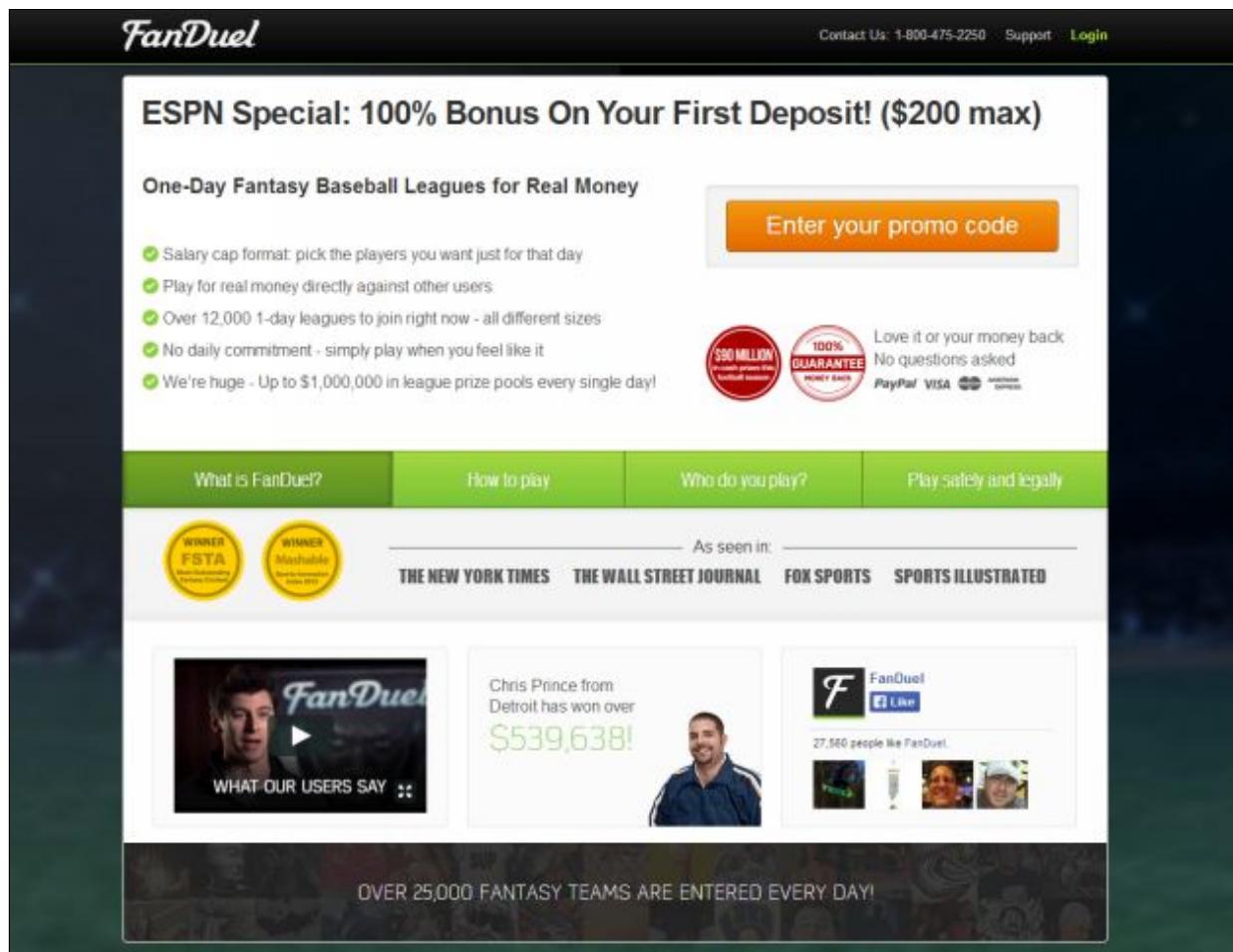


Figure 7.3.4

## Buttons

Because landing pages are created with a particular goal in mind, they often include a key button with a CTA, as seen in the Fan Duel and Nikon examples above. Because these buttons are crucial for success, A/B tests should be run on the color, shape, and size of the button that bring the greatest conversion. Remember that buttons need to actually look like buttons or they'll never be clicked. Buttons typically include visual cues such as gradients, borders, shadows, glowing edges, or arrows to signal the spot is clickable.

## Images

Images can detract or deter a visitor from what the advertiser wants them to do on its landing page. On the other hand, the right imagery can increase a visitor's desire to move forward and take action. Professional photographs of products, especially photographs depicting happy people using those products, can communicate that the product will make the customer better off. Most

website visitors don't read text word for word. They tend to skim and they use images to more quickly understand what they should do and where they should go on a website. WhichTestWon.com (<http://whichtestwon.com/truvos-homepage-icon-test-results>) shared the following screenshots and A/B test of a landing page for Truvo, the Belgian Yellow Pages.

Here is version A:

The screenshot shows the homepage of goudengids.be. At the top, there's a navigation bar with links for 'goudengids.be', 'wittegids.be', 'SaySo', 'maps', 'Jobs', 'Uw bedrijf op goudengids.be', and social media links for Facebook, Inloggen, Uw lijstje, and NL+. Below the navigation is the main search bar with fields for 'Categorie of bedrijfsnaam' and 'in Stad, postcode, straat, buurt', and a 'Zoeken' button. Underneath the search bar is a yellow banner titled 'Advies voor professionals'. It features a large digital clock-style counter displaying '28 000 000' with the text 'Vorig jaar bezochten' above it and 'mensen websites gemaakt en geoptimaliseerd door goudengids.be' below it. To the right of the counter is a photo of a smiling woman. On the left side of the banner, there's a 'ZIE' button. The banner also contains the text 'En hoe scoort uw business online?' and a 'ZIE WAT JE MIST >' button. The rest of the page has a white background with standard website content like categories and a footer.

Figure 7.3.5

Here is version B:

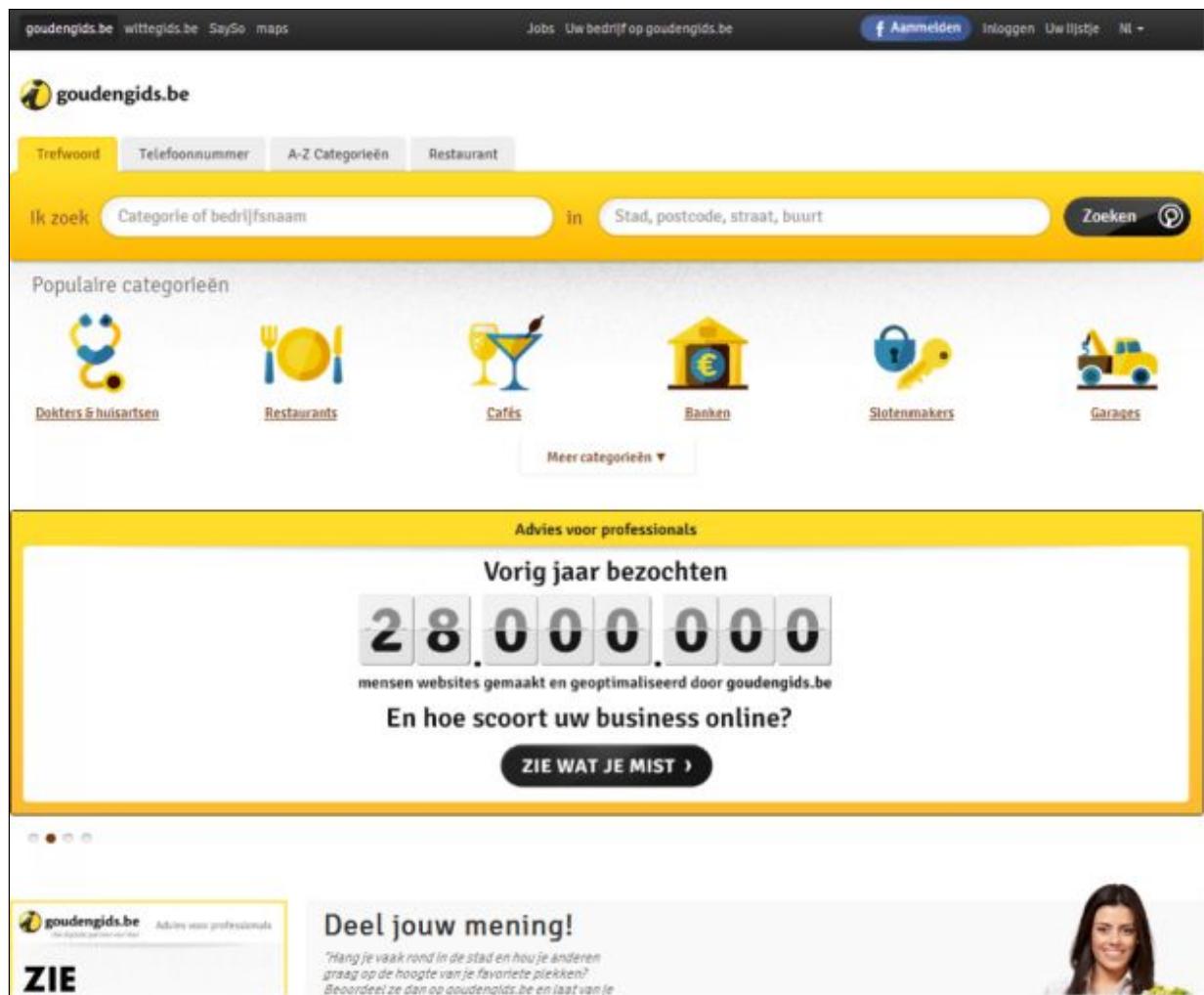


Figure 7.3.6

The only difference between the two landing pages was the navigation. Version A used text navigation links, whereas version B employed large icons along with the text navigation links. WhichTestWon.com reports that version B (the one with the icons) received a 90.2% increase in clicks to category pages. By using images, icons in this case, the site was able to improve user interaction.

## Trust symbols

With the great number of unethical and untrustworthy online businesses, consumers often forego online purchases if the site looks untrustworthy in any way. One way to assuage these fears is to include trust symbols in the page layout. A trust symbol is any symbol, icon, image, or small statement communicating to the user that the site is legitimate. Here is a close-up look at some of the trust symbols found on the FanDuel landing page:

## Accessible Return Policy & Guarantees



Figure 7.3.7

## Brand Recognition & Awards



Figure 7.3.8

## Positive Publicity



Figure 7.3.9

## Social Media Presence



Figure 7.3.10

## Video Demonstrations & Testimonials



Figure 7.3.11

## Other Trust Factors

Many design aspects of a landing page can also assuage these fears. Below are 17 landing page design techniques that instill trust in site visitors:

1. Professional photography
2. High-quality design
3. Guarantees (e.g., shipping, service, or product-based)
4. Accessible return policies
5. Accessible privacy policies
6. Secure payment gateway (include icons to verify security)
7. Brand recognitions and awards
8. Testimonials
9. Client logos
10. Pictures of customers using the product or service
11. Video demonstrations
12. Logos & links to organizations with which the company is affiliated
13. Readily available contact information proving the company is real
14. Accessible, detailed product information
15. Statement near the form submission button about not using or selling visitors' information for any other purposes
16. Positive publicity
17. Social media presence

## Forms

A lot of research over the years has examined the psychology of form completion on landing pages. Whether an advertiser is generating leads or taking a site visitor through the purchase process, the visitor will have to fill out a form. These best practices will help increase the percentage of form completions a company receives.

### 11 Best Practices for Form Optimization

1. Remove unnecessary form fields
2. Set the cursor so that it is already flashing in the first form field
3. Frame the form so that it stands out on the page
4. Use a call to action that incentivizes the user to complete the form
5. Include a note that the form won't take long to fill out
6. Add an image or message reminding visitors what they get as soon as they complete the form
7. Make a submission button that stands out
8. Test different layouts of form fields
9. When a form is complete, be sure a thank you/confirmation message or page appears
10. Use browser cookies to auto fill appropriate fields for repeat visitors
11. Position forms in the upper fold on lead-generating landing pages

## Phone Numbers

The primary lead-generation method for many sites is a phone call. As such, a lead-generation website should feature its phone number prominently above the fold. Tracking how many phone calls come specifically from people that visit one's landing page is fairly easy to do now, thanks to a variety of call tracking software. CallRail.com, Marchex.com, ifbyphone.com, and even Google Adwords provide call tracking. A Google search for *call tracking software* will provide a long list of companies offering the service. Each service is unique, but most of them offer information on where and when a visitor called and how long the call lasted, and even provide a recording of the call.



# *Chapter 7 - Section 3 - Conversion Rate Optimization*

Every industry has a different average conversion rate. Monetate provides a [quarterly report](#) that provides conversion rate averages for large Ecommerce brands.

Conversion Rates	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
U.S.	2.85%	2.54%	2.67%	2.42%	3.06%
International	1.65%	1.40%	1.21%	1.14%	1.17%

Conversion Rates	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
New	2.18%	1.78%	1.78%	1.64%	2.11%
Returning	3.30%	3.02%	3.16%	2.92%	3.54%

Figure 7.4.1

Image source: <http://www.smartinsights.com/wp-content/uploads/2013/06/Add-to-cart-rates-by-basket.jpg>

Although checking one's site against industry averages is beneficial, closely tracking one's own average conversion rate and working to optimize it to reach one's goals is more important. This practice of working to improve conversion rates, getting more sales with the same amount of visitors to one's site, is called conversion rate optimization (CRO). Conversion rate is calculated using the following formula:

$$(\text{Total Conversions} / \text{Total Site Visits}) * 100 = \text{Conversion Rate}$$

For example:

$$(100 \text{ Conversions} / 8,000 \text{ Site Visits}) * 100 = 1.25\% \text{ Conversion Rate}$$

## Optimize For Conversions

As mentioned earlier, by decreasing the bounce rate and shopping cart abandonment, a website will improve its conversion rates. Other things that can commonly improve conversion rates include the following:

- Price discounts
- Promotions
- One-day sales to create deadline urgency

- New products
- Streamlined payment process
- Shipping specials
- Improved product information
- Information that helps visitors easily compare products and services
- Improved navigation and filtering
- Good site search
- Good product reviews
- Good product imagery

Regardless of a company's current conversion rate, it should continue to test variations on its website to find out what leads to the highest conversion rate. Google Analytics' Content Experiments is a free tool that allows for testing of multiple page versions at the same time. To use this tool, an advertiser needs to create two or more versions of the same page, and Content Experiments will randomly show one version of the page or the other to different visitors and report which version of the page gave a higher conversion rate. For example, one could create an alternate version of the shopping cart page where the "Proceed to Checkout" button was 30% larger, or used a different color, or both. Content Experiments would then report the resulting conversion rate from each page to show which page performed best. Good internet marketers never stop experimenting.

To read more about Content Experiments, go [here](#), or watch a video about it [below](#).

Besides Content Experiments, other software tools are dedicated to helping a company run A/B tests for its site, such as clicktale.com, crazyegg.com, kissmetrics.com, unbounce.com, and optimizely.com.

## User Experience Tests

User experience (UX) tests can be helpful in ensuring a site is clear and easy to use such that potential customers have a seamless experience on the site.

One way to conduct a user experience test is through focus groups. Each person in the group should receive the same set of tasks the company would like them to complete on its site. For example, these tasks could include

creating an account, filling out a form, finding where to make a purchase, and entering payment information. By making note of and addressing the issues raised by multiple users, a company is likely to improve the end-user experience and increase its site's conversion rate.

## Takeaway

Good user experience and conversion optimization principles are summarized with the title of a well-known foundational book on web usability by Steve Krug: *Don't Make Me Think*. The premise is that a website needs to be as easy as possible for visitors to understand and navigate. It can't make any assumptions about the level of knowledge or experience its visitors have. Rather, the site needs to be explicit about the point of each page and what it wants visitors to do on that page or where it wants them to go next. Conversion is largely about removing obstacles and distractions while minimizing confusion and maximizing persuasiveness.

# Chapter 8 -

## Analytics

Introduction

1 - How Analytics Works

2 - Metrics

3 - Key Performance Indicators

4 - Making Better Decisions with Analytics

5 - Attribution

## Chapter 8 - Introduction

### Chapter 8 Learning Objectives

After reading this chapter, students should be able to:

- Select the best KPIs for a website of any variety.
- Determine the most needed improvements for an eCommerce website based on an analysis of its conversion funnel.
- Describe the strengths and weaknesses of the various attribution methods.

The World Wide Web is a primarily visual medium, so one might expect that graphic designers and other aesthetically oriented people would drive all decision making about a website's design. Although graphic designers do play a prominent role in web-design decisions, the final word on design changes should not belong to the graphic designer but to the user. Whatever feature or design of the website that most effectively leads website users to the desired behavior (purchases, page views, leads generated, etc.) is the design that should be used. Fortunately, all website user behavior can be tracked and measured in a way that allows us to make the best website design decision with the user in mind, rather than giving final decision power to the graphic designer.

Website analytics refers to the data generated by website visitors. Any website that has installed an analytics package can examine several aspects of visitors' browsing and purchasing behavior on the website. These data can and should be used to make informed decisions about web design to improve the portion of customers engaging in the desired behavior as well as to track the volume of visitors the website is receiving and from what sources.

Google provides a free analytics package (<http://www.google.com/analytics/>) as well as free in-depth analytics training, which can be found at <https://analyticsacademy.withgoogle.com/course>. Google also has a paid

analytics certification test to validate an advertiser's understanding of Google Analytics, its implementation, and analytic capabilities. This chapter provides general training on analytics, though it is meant to be shorter and less technical (i.e. more geared toward a general understanding of analytics rather than specific to Google Analytics).

# *Chapter 8 - Section 1 - How Analytics Works*

Tracking website user behavior is straightforward, but it does not happen automatically. The web developer needs to install a web analytics program into every page of the website she wishes to track, usually by pasting a small snippet of html code into the tag of the page. This code passes information to the analytics program every time the server receives a request for that page. The analytics program stores this information and provides it to authorized parties through the analytics report interface. This process is illustrated in Figure 8.1.1 below.

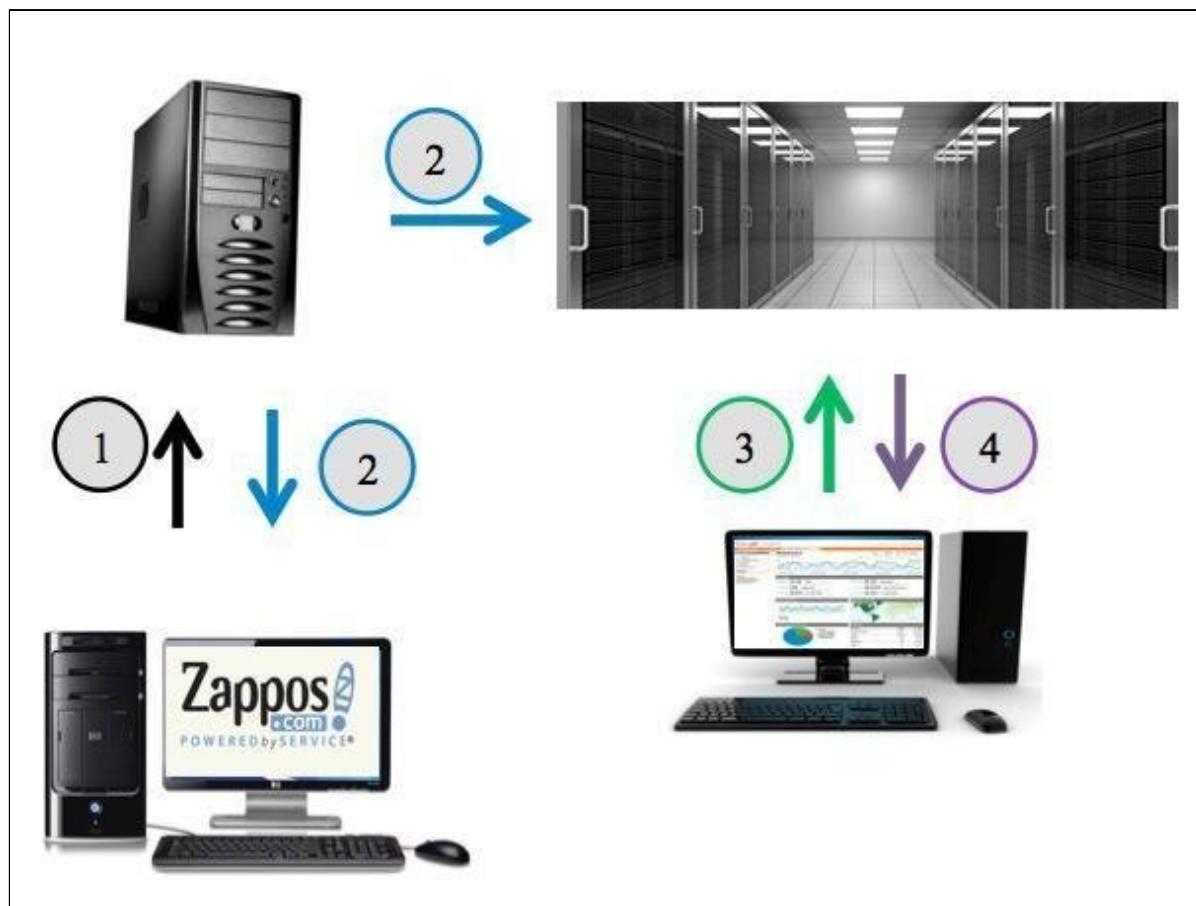


Figure 8.1.1

1. An internet user takes some action that results in a request for a page on a website. This page request could be caused by the user

typing in the URL of the page directly, clicking on a link to the page from a search engine, clicking a link to the page from another webpage, clicking on an ad for the website, clicking on an email with a link to the webpage, etc.

2. When the user navigates to the webpage, the web server receives a request for the information on this page, which the server sends across the internet to the requesting computer. At the same time, the web server will also pass on some information about this server request to a data-collection center run by the analytics package.
3. The data-collection center will store data about this server request and all other server requests until a user requests this data through the analytics report center.
4. The analytics package will aggregate and organize this data in a variety of ways according to the user's requests.

Raw information about server requests will not be useful to a webmaster unless it can be aggregated and organized in a way that enables the webmaster to make inferences about the nature of the traffic on his site. In addition to recording the server request, the analytics package will provide several key pieces of supplemental information about that request.

## Supplemental Information

**Identity of Requester.** Analytics does not know the actual identity of the user (for example, it does not know your name or address), but it knows when the same computer is making multiple requests of the server. This way, analytics can track the path of an individual computer, knowing that a user first hit the homepage, then the men's clothing category page, followed by outerwear sub-category page, followed by a page for a specific coat, at which point the user exited the site. If analytics did not identify the computer, it would record all four of those hits as independent hits from different users. Analytics can usually track users across sessions by dropping a cookie on that computer than enables it to recognize a user that has visited previously. For example, if the same user just mentioned came to the website a week later, the analytics would recognize the cookie it had placed on the user's computer a week earlier and connect this visit with the previous one. This tracking method will not work, of course, if the user has cleared out his cache of cookies.

**Timing of Request.** Analytics cannot construct a user's path unless it knows which page was seen first, so each server request is time stamped. The time stamps enable the analytics package to calculate how long users are spending on each page.

**Navigation Source.** It is fundamentally important to know how users are arriving at a website, whether through search engines, direct URL entry, links from other websites, ads, and so on. Analytics provides this information. For users coming to a site through paid ads, a company can make these data very specific, recording not just that the user came from an ad on yahoo.com, but recording which ad was the clicked ad.

**Technical Information.** A webmaster may wish to know if users on Firefox versus Chrome behave differently, or if users with larger screens behave differently than those on smaller screens. Analytics records technical information about each user, including the operating system, browser, screen size, and internet connection type.

**Geography.** Though analytics does not know the address of users, it knows the general geography of each user, typically to the zip code.

## Organizing Data

Any analytics package will allow a user to aggregate and organize the data in a variety of ways, from aggregate statistics to narrowly focused statistics on very small groups of users to path statistics showing how visitors progress through the site and where they exit. Analytics interfaces are usually very intuitive, allowing a user to start with aggregate statistics and drill down to more detail by simply clicking on a particular group to see more detailed breakdowns. For example, a report might show the number of visitors from each country to a website. Simply clicking on the United States link will then give a report of visitors from each state. Clicking on Texas will give a report of visitors from various cities within Texas.

A company can also customize the reports it sees on the homepage of its account. For example, a retail website's owner may be most interested in seeing aggregate statistics on visitors, shopping cart additions, purchases, and revenue. The retailer can instruct the analytics package to make reports on those statistics available on the homepage for easy perusal at any time. A media website's owner might be more interested in other statistics such as average number of pages viewed or average time on site. A website's

analytics are only as useful as the owner makes them. Making analytics useful requires an understanding of the various metrics analytics can provide. We discuss these in the next section.

## Chapter 8 - Section 2 - Metrics

Any website analytics package will be capable of providing dozens of metrics that can be broken down or aggregated in hundreds of ways. Just because loads of data are available does not mean that all the data are useful. In fact, access to too much data can often lead to “analysis paralysis,” wherein the sheer volume of data prevents the analyst from taking worthwhile action. In this section, we discuss various metrics that help make sense of analytics data. We begin with a list of basic metrics, then continue on with more advanced metrics that are calculated from the basic metrics. We then discuss useful metrics that are not calculated by default, but must be set up by the user.

### Basic Metrics



Figure 8.2.1

**Pageview.** Also called a “hit,” a pageview occurs any time a user accesses a page on a website.

**Visit.** Any time a user enters a website, he has created a visit. A visit may consist of one or more pageviews.

**Visitor.** A user who visits a website at least once. A visitor may make multiple visits.

**Time on Page.** The amount of time the user spent on a page before navigating to a different page.

**Entry.** The first pageview of a visit is the entry point, which is often not the home page.

**Exit.** The last page view of a visit is the exit point. An exit may occur because the user navigated outside the website or after 30 minutes of inactivity (analytics will consider the visit over if the user takes no action for 30 minutes or longer).

## Calculated Metrics

**Average Page Depth.** Calculated as page views/visits. This is a measure of user engagement with a website.

**Average Visit Duration.** The duration of every visit is the sum of time on page for every pageview in the visit. (If the visit ended because of 30 minutes of user inactivity, the calculation of visit duration does not include these 30 minutes.)

**Site Bounce Rate.** The percentage of all visits that consist of only one pageview.

**Page Bounce Rate.** The percentage of visits that begin on that page that consist of only one pageview.

**Entrance Rate.** The percentage of visits that begin on that page. This is a page-specific metric.

**Exit Rate.** The percentage of pageviews that result in an exit. Again, this is a page-specific metric.

**Unique Page Views.** Some visits may hit the same page several times. Removing these double counts can give a more realistic picture about the volume of traffic on a page.

**Unique Visitors.** A visitor may make several visits to the website, so counting only unique visitors gives a different picture of website traffic.

## Manual Metrics

Several other useful metrics are not given automatically in an analytics package, because they require some specifications from the user. For example, a retail website is very interested in tracking the number of orders being placed, the revenue being generated, and so on, but the analytics package cannot calculate this information without further information from the user. Specifically, the user must set up *goals* in analytics, which tell the analytics

package specific user actions a website wishes to measure. Table 8.2.1 below, from Google's Analytics training, gives a brief description of the four types of goals that can be set up in analytics.

Table 8.2.1		
Type	Description	Example
Destination	A specific location loads	Thank you for registering! web page or app screen
Duration	Sessions that lasts a specific amount of time or longer	10 minutes or longer spent on a support site
Pages/Screens per session	A user views a specific number of pages or screens	5 pages or screens have been loaded
Event	An action defined as an Event is triggered	Social recommendation, video play, ad click

The first type of goal is a *destination* goal, which instructs analytics that a goal has been met when a user reaches a specific page on a site. Both a retail site and a lead-generation site might set up a destination goal that would be activated whenever a user reached the Thank You page after either placing an order or filling out a lead capture form.

The second kind of goal is an *event* goal. A media site might be interested in tracking when users watch a video, or a B2B services company might want to measure how many users download a white paper the company provides on its website. It would set up an event goal that would trigger whenever that event occurred. A website can even track clicks as a goal. For example, a company

might be interested in seeing how frequently visitors are clicking on its social media icons and leaving the site to visit its social media profiles. Event tracking can measure this information.

The last two goals measure user engagement: a *pages-per-visit* goal or a *time-on-site* goal. The pages-per-visit goal would trigger whenever a user visited more or less than a given number of pages the website specifies. For example, a media site might be interested in knowing what percentage of visitors visit more than five pages. That same media site might also be interested in knowing what percentage of visitors stay on the site longer than two minutes. It could alternately set up a time-on-site goal.

Once a site has set up these goals, it is now able to track several additional useful metrics

**Conversion Rate.** This metric tracks the percentage of visits that result in the intended action. For a retail site, it would be the percentage of visits that result in a purchase. For a lead generation site, it would be the percentage of visits that result in a lead capture fill.

**Revenue.** A retail site that sets up a destination goal for each purchase can also pass on to analytics the amount of money being spent on the order so that analytics can track this information. Revenue can also be attached to other types of goals. A lead-generation website may know that a lead will become a closed deal 20% of the time, and that a closed deal is worth \$500 on average. Every goal completion is then worth \$100 ( $\$500 \times 20\%$ ), and this information can be tracked in analytics, even though the revenue does not come directly through the website.

**Revenue Per Visitor.** Many retail sites do not track this metric, but every retail site should follow this number closely. The revenue per visitor is calculated as revenue/visits. This metric is important because it determines how much a company can spend on advertising to attract visitors to its site.

## Chapter 8 - Section 3 - Key Performance Indicators

To avoid analysis paralysis, a website not only needs to understand the various metrics an analytics package provides, but it also needs to know which metrics are most important. The relative importance of available metrics depends primarily on a website's business model. Because retail

Websites and lead-generation websites want their users to engage in different behaviors, they should be examining different metrics as signals of their performance. In other words, websites of different types should have different *key performance indicators*, or KPIs, which are the metrics the website considers to be the most important measures of its success. Every website needs to determine for itself which KPIs to use, but we list some potential KPIs that a website of a given business model should likely attend to.

## Retail KPIs

The goal of a retail website is to sell products, so its KPIs should all reflect how successfully the website is attaining this goal.

**Visits.** Each visit to the website is a potential sale, so a retail website should always be looking to increase the number of visits to its site.

**Conversion Rate.** Increasing the percentage of visitors who complete a transaction is extremely beneficial for a retail website. A retail site should be constantly striving for ways to increase the conversion rate, typically through A/B testing of various aspects of the site. Likewise, any sudden drop in the conversion rate is a reliable sign of problems that should be addressed as quickly as possible. Examples may include broken links or broken pages, malfunctioning shopping cart or payment system, product availability, site speed issues, and so on.

**Average Order Value.** A website can increase the amount of money it makes from each transaction by either (1) enticing shoppers to purchase additional items or (2) enticing shoppers to purchase higher-priced items.

**Revenue Per Visitor.** If a retail website has a conversion rate of 5% and an average order value of \$50, its revenue per visitor is \$2.50. The retail website must know this number because it determines whether new traffic driven through additional advertising is profitable. If the website has a 50% gross margin, it makes \$1.25 in profit for every visitor. It now knows it should not spend more than \$1.25 to generate a visit to the site.

## Lead Generation KPIs

A lead-generation website cannot complete a transaction, but it is still looking for conversions.

**Unique Visitors.** In lead generation, repeat visits from the same visitor are typically not beneficial, because additional leads from the same person do not generate additional revenue. Thus a lead-generation site should be looking to increase the number of unique visitors to the site and not visits.

**Conversion Rate.** For a lead-generation website, a conversion is a generated lead. A lead can be generated in multiple ways, either through filling out a form on the website or by calling the company directly, for example. Phone calls can be difficult to track, so the conversion rate is a bit less reliable for a lead-generation site than for a retail site. Nonetheless, methods exist for tracking phone calls, and a good lead-generation website should make efforts to track conversions.

**Close Rate.** Close rate is the percentage of leads that convert into revenue for the company. A lead that does not become a customer is of no value. Though the close rate is entirely external to the website, it is still an important input to the general business equation that can affect the website's decisions.

**Closed Deal Value.** On average, how much is a closed deal worth to the company? Again, this value is external to the website, but it can still affect the website's decisions, so the website manager should track and know it.

**Revenue Per Visitor.** Though this metric is more difficult to track for a lead-generation site than for a retail site, it is still equally valuable for the site to know this number (or to have a reliable estimate). If a lead-generation site has a conversion rate of 15%, a close rate of 25%, and a closed deal value of \$200, its revenue per visitor is  $.15 * .25 * \$200 = \$7.50$ . The site should not spend more than \$7.50 for each website visitor it acquires through advertising or other channels.

## Media KPIs

Media sites make money through advertising on the site. Therefore, a media site is primarily concerned with generating traffic and keeping visitors engaged.

**Visits.** For a media site, repeat visits from the same visitor are just as beneficial as a visit from a new visitor, so it should care about generating a high number of visits of any kind.

**Average Page Depth.** A media site lives and dies by its ability to generate a high level of engagement with visitors. For a site with written content (news

sites, blogs, etc.), average page depth is a reliable indicator of user engagement and good content navigation/integration.

**Average Visit Duration.** Media sites with more video content than written content may be less interested in driving additional pageviews and more focused on keeping users watching videos, during which a site will insert video advertising. Average visit duration would be a better measure of user engagement for such sites.

**Conversions.** Some media websites may want users to sign up for regular emails, or to create an account, or to pay for a premium membership. Regardless of the nature of the conversion, the media site will want to set up a goal on the site to track the number of conversions that occur.

## Social Media KPIs

Like media sites, social media sites typically make money from advertising and thus care primarily about user engagement. But the metrics that best indicate the level of users' engagement are different for social media sites.

**New Account Sign-Ups (Conversions).** A social media platform needs a large user base, so signing up new users is of paramount importance.

**Posts/Tweets/Pins/etc.** Most social media sites are driven by user-generated content, so a KPI for a social media site is any measure that reflects the amount of content being created by users. A good social media analyst will not just examine total volume of content or even average pieces of content, but the distribution of content being generated. A social media site would rather have all of its users creating a reasonable amount of content rather than a few select users creating loads of content.

**Likes/Re-Tweets/Re-Pins/etc.** Social media sites need users to not only create content but also consume it. The varying nature of content consumption across social media platforms means that no single metric will work for all social media sites, so each site needs to determine its own measure to use as a KPI on this dimension.

**Average Time on Site.** An alternate measure of content consumption might simply be the amount of time spent on the site. Because time on a site like Facebook might be split across several visits in a day, the total time spent per day per person is a better reflection of user engagement than average visit duration.

## Search Engine KPIs

A search engine's goal is to provide the best list of content possible to users so they can find the best content and get on their way. Thus a search engine has the explicit goal to generate a user exit, which is contrary to many other sites.

**Searches.** Rather than measuring visits or unique visitors, a search engine wishes to generate searches.

**Conversion Rate.** Google and Bing will forego this KPI, because they are not trying to generate a conversion of any kind, but search engines for hotels, flight, rental cars, and so on, receive a commission on each conversion, so they want to maximize conversion rate.

**Average Page Depth.** A search engine wants to track average page depth, not to maximize it, but to minimize it. If a searcher needs to navigate to the second or third page of search results, the search engine is not doing a good job ordering the search results.

# *Chapter 8 - Section 4 - Making Better Decisions with Analytics*

Thus far, we have hinted at some decisions that analytics can help a company make more profitably. For example, we have mentioned that knowing a retail site's revenue per visitor can help a company determine how much it can spend on advertising to bring in new visitors to its website. In this section, we discuss several ways that analytics can and should be used to improve decisions on several aspects of a website. This list will not be exhaustive, of course, but we hope these examples will provide sufficient familiarity with various uses of analytics that can immediately be useful to a web team in improving its decision making through the application of its analytics data.

## **Conversion Funnel**

Visitors to a retail site must typically go through at least three steps before completing a purchase. First, they must put a product in the shopping cart. Second, they must check out, which typically includes filling in credit card and shipping information. Third, they must confirm the order. A retail website should be constantly trying to increase its conversion rate, and the conversion funnel provides a useful way to divide the purchase procedure into steps so that a web team can analyze where in the process consumers are having difficulty or are abandoning the purchase procedure. An illustration is provided below in Figure 8.4.1.



Figure 8.4.1

By looking at the checkout procedure step by step, a website can determine where the biggest fallout points are and proceed with A/B testing to

determine if small changes can improve its conversion numbers. In the above example, the largest point of fallout is the transition from the shopping cart to the beginning of the checkout procedure. The website may not provide a sufficiently prominent call to action (CTA) for users to begin the checkout procedure once they have placed items in their shopping cart. The website could then perform A/B testing on a different placement or size of the “check out” button to see if conversion rates increase with this change.

Every retail site should set up the conversion funnel in analytics so it can make a more detailed analysis of the conversion process. Other types of websites might also profit from setting up a conversion funnel. A lead-generation site would also profit from knowing where its users are falling off in the process of filling out a lead. A media site that is interested in signing up its users for premium content or in generating its email list could also set up conversion funnels for those actions.

## Channel Analysis

Not all site visitors are created equal. Whereas some visitors generate a great deal of revenue, others may never have the slightest intention of making a purchase. Anything a site can do to attract more of the former visitor type and less of the latter will do wonders for its profitability. Sometimes different traffic sources will have a greater share of desirable visitors than other sources. By examining its website KPIs by traffic source, rather than in aggregate, a company may gain valuable insights into ways to attract a heavier share of desirable visitors.

Visits to a site might be generated from all of the following sources:

1. Organic search
2. Paid search ads (AdWords or Bing ads)
3. Display ads
4. Emails
5. Social media
6. External links
7. Affiliate links

A website may find that the revenue per visitor from organic search is higher than the revenue per visitor from display ads. That finding would be an

indication that an investment in SEO might pay off more than an investment in additional display ads. Or it might indicate the need to do a better job targeting display ads to relevant targets. But a website should not just compare KPIs across these sources. It should also go further in depth in its analysis of the traffic within each source.

**Organic Search.** A site that has been search-engine optimized should be receiving organic search traffic from a variety of keywords. A website's analytics package should let a company break down traffic patterns by search keyword. (This information is becoming limited because Google now blocks this information from being passed to analytics for anyone using its search engine.) A website may find that searchers who entered certain keywords convert at a drastically higher rate than searchers who entered other keywords. This finding can suggest particular keyword phrases on which to increase search engine optimization efforts.

**Paid Search.** If a company is paying for search results on Google or Bing, it should be running multiple ads. If it connects its analytics account with its paid search account, it can track site behavior for each ad or ad group. If these accounts are not connected, the company will only be able to see each ad or ad group's click-through rate, from which it will have to assume that all the traffic from these various ads are performing roughly the same. Traffic from some ads or ad groups might have a much higher conversion rate than other ads.

**Display Ads.** Even more than paid search ads, display ads are likely to vary on several dimensions, including the content of the ad, the CTA in the ad, and the targeting method. Further, traffic generated from these ads may come from dozens or hundreds or thousands of different websites. Breaking down site traffic across these display ad varieties will indicate which ads are most effective, which CTAs are most effective, and which sites are bringing the most qualified traffic.

**Emails.** The conversion rate on traffic from email campaigns is likely to be higher than the conversion rate from any other source. But within email-generated traffic, a website may be able to find that traffic from some emails converts at a higher rate. At an even deeper level of analysis, a site may find that visitors who clicked a particular part of an email convert at a higher rate than visitors who clicked a different offer from the email.

**Social Media.** Traffic from social media typically comes from one of three possible sources: (1) content created by the company (the company tweets a 10% discount on select merchandise, leading many of its Twitter followers to click the link and shop the site); (2) content created or shared by other social media users (a Pinterest user pins one of a company's products, and others on Pinterest follow this pin back to the original site); or (3) advertising on a social media platform (the company pays for Facebook banner ads). The gold standard in social media is to generate a large amount of visitors of the second type, because it costs a company nothing when users post links to its site of their own volition. Traffic patterns can be broken down by these various sources to determine whether a company's social media efforts are successful and which social networks are providing the best return for the company's level of investment.

**External Links.** Obtaining links from external sources is an important aspect of search engine optimization, but many web developers often forget that those external links can also drive a significant share of a site's traffic, which is the primary goal. Some sites might be particularly good traffic sources, whereas others might drive small amounts of high-converting traffic. A company might then take action to foster a relationship with the referring site to ensure continued traffic from that source or to build on it. The company can also make inferences about similar types of sites with which it may want to develop relationships.

**Affiliate Links.** If a company pays referral fees to a partner website for quality traffic, it should be optimizing this traffic. If this traffic is converting at a low rate, neither website will be happy with the results. The partner websites may be able to share insights about how to send more qualified traffic to each other's sites or to a different landing page that might generate more success.

## Segmentation

In reality, breaking down traffic by source channel is just one of many possible methods of segmentation. Segmentation refers to any method of dividing customers (or in this case, site visitors) into groups that differ in a meaningful and actionable way. Segmenting site visitors based on source channel is one way to group web traffic. Other methods of segmentation

could also provide insights into profitable website actions. The following list is not exhaustive but provides some good starting points.

**Geography.** Web traffic patterns may differ between regions. Identifying these differences could provide recommendations for profitable changes to the website. For example, if a site tends to get a lot of traffic from a foreign country, the company may be able to justify the creation of a foreign language version of the site or key pages.

**New Versus Returning Visitors.** By examining how site usage differs for new versus returning visitors, a company may identify ways in which the site can better turn new visitors into repeat visitors.

**Timing.** A business with seasonality may wish to get a more precise picture of how site behavior differs at various points in the season.

**Browser.** Segmenting user behavior by browser is important not only for behavioral reasons (observable actionable differences may exist in behavior across browser types), but also for technical reasons. Some browsers may not display a site correctly, and segmenting user behavior by browser should give a company clues about these technical glitches so that its technical team can work to make the site compatible with all browsers. These segments should be monitored continually, because technical glitches that have previously been resolved can resurface when browsers make updates to their software.

**Screen Size.** A website will appear differently to users with different screen sizes, which may cause divergent behavior from various user segments. If a website's conversion rate is higher for users with a larger screen, key content might be showing up below the fold for users with a smaller screen.

**Device.** With the increasing usage of mobile devices and tablet computers of varying sizes and processing capacities, websites have to cater to a wider variety of users than ever before. Segmenting by device type is important both for technical and behavioral reasons. Once a company has determined that its site is working with devices of all types, it should also ensure its site is optimized behaviorally across device types. Typically, a well-optimized site will have a mobile version that functions differently from the main site. Increasingly, sites are employing "responsive design" that automatically adjusts pages and positioning to fit particular screen types (rather than creating separate mobile-optimized versions).



## *Chapter 8 - Section 5 - Attribution*

Consider the customer experience of Mr. Z, who will soon be traveling with his family to Orlando, Florida, for a vacation. Mr. Z sees several advertisements on television for Priceline.com. He also sees several banner ads for Priceline as he browses the internet, which helps keep Priceline in his mind. Priceline buys ads in many of the magazines read by Mr. Z, who also regularly sees a large Priceline ad at the subway station where he catches the subway to work. When the time comes to book his flight and hotel to Orlando, Mr. Z searches Google for “Orlando hotel and flight.” He clicks on the AdWords ad for Priceline and ends up booking both the flight and hotel for his entire family through Priceline.

Which advertisement was most responsible for Mr. Z’s choice to book his flight and hotel through Priceline? He saw five different kinds of advertisements—television, banner ads, magazine ads, billboard ads (in the subway), and an AdWords ad. The last advertisement he saw was the AdWords ad. Was that ad alone responsible for Mr. Z’s action? Crediting this last ad as being solely responsible for his action is an example of *last-click attribution*, in which full credit for a customer’s action is given to the source that most recently brought the customer to the site for the purchase. But this credit seems rather naïve in its assumption that the television, magazine, billboard, and banner ads had nothing to do with the purchase. These other ads may have been the reason Mr. Z clicked on the Priceline ad rather than the Expedia or Travelocity ad. Perhaps these other ads gave him sufficient confidence in the Priceline brand to complete his transaction, whereas without those other ads, he would have felt compelled to search other travel sites in addition to Priceline.

Although last-click attribution is simplistic, it is also the easiest and most common way to assign credit to advertising efforts, and guarantees some accuracy in attribution. Other methods for attribution can be used that are less naïve and disperse credit across a variety of sources, but they all have several disadvantages in common. First, for any other attribution method, a company must specify how long previous to the transaction an interaction with a customer counts as contributing to the transaction. Consider a customer who clicks on a banner ad on January 1, clicks on the same

company's AdWords ad on January 10, clicks on an email for the site on January 25, and finally makes a purchase on February 3 after clicking on the site's organic search result. Does the banner ad click from January 1 count toward this transaction, even though it occurred 33 days before? What if it had occurred in October, three months prior? A company will have to specify a window of time for which a prior transaction can be given credit, and even with a reasonable determination of the size of the window, it is in some sense arbitrary.

A second disadvantage of alternate attribution methods is that those methods still only account for specific kinds of online interactions. Most analytics packages will ignore banner ad exposures that did not generate a click-through to the website, but those accumulated banner ad exposures may be what caused a customer to search for the site in the first place. Most analytics packages will also ignore any offline advertising or word of mouth that may have generated revenue. In some sense, other attribution methods give the illusion of more accurate assignment of credit where it is due, but analytics would still be missing important sources of customer influence.

Finally, some would argue that any interaction with a customer that did not directly cause a transaction should not be credited as having any influence on a future customer transaction. As the argument goes, if a customer clicks on an email for a site and does not purchase, but later purchases after doing a search, what makes that site think the email click had anything to do with this later purchase? Using an attribution method other than last-click attribution might simply be siphoning credit away from the interaction that really fueled the purchase.

Attribution modeling has no gold standard—all methods have some problems. Below is a list of some of the major options for attribution, along with their advantages and disadvantages.

**Last-Click Attribution.** As mentioned, last-click attribution gives too much credit to the last touchpoint in the marketing channel. Because many customers will in the end navigate to a website through a search engine (even when they know they want to purchase directly from that website), search engines and search engine ads receive too much credit for driving revenue to websites. This is a well-known bias of last-click attribution, overvaluing a company's SEO team and search advertising team. But many companies continue to use last-click attribution because it is easy, and though it is biased,

it guarantees some level of accuracy, because it is known with certainty that the last click did indeed contribute to the sale. Google Analytics uses last-click attribution by default.

**First-Click Attribution.** If a customer converts on a website, the first exposure to one of that company's ads might have had the largest impact on his decision, following which he likely experienced *ad wear-out*, a decrease in the effect of the ad on consumer behavior. This logic underlies first-click attribution, wherein the first customer interaction receives all the credit for the sale. Because of the somewhat arbitrary nature of specifying the time window of prior interactions that count toward the current transaction, first-click attribution can sometimes be highly inaccurate.

**Linear Attribution.** Linear attribution assigns equal credit to every recorded interaction with the customer before the customer makes a purchase. This is a reasonable way to give credit to the several customer touchpoints along her path to completing a transaction, but the aforementioned disadvantages apply here as well.

**Time-Decay Attribution.** In this model, interactions that happen closer to the time of transaction receive more credit than interactions further in the past. This method provides some of the advantages of last-click attribution while possibly reducing its major bias—giving too much credit to the final action, which is overwhelmingly likely to be a click from a search engine.

Other attribution methods exist (for more information, see <https://support.google.com/analytics/answer/1662518>), including custom attribution, wherein different weights can be specified for actions of different types and at different time periods. There is no single right answer to the question of which method a website should use.

# Chapter 9 -

# Email Marketing

Introduction

- 1 - Email List Capture
- 2 - Email Content
- 3 - Measuring Success
- 4 - Avoiding Spam Filters

## Chapter 9 - Introduction

### Chapter 9 Learning Objectives

After reading this chapter, students should be able to:

- Create an effective strategy for building a commercial email list.
- Create effective content for a commercial email campaign.
- Analyze the results of an email campaign to determine its effectiveness.
- Describe best practices to prevent emails from being stopped by spam filters.

When many people hear the phrase “email marketing,” they think of spam—unsolicited email messages, often from shady commercial enterprises, sent to a list of email addresses obtained through unethical methods. Although spam emails are a reality of commercial email, the increasing effectiveness of spam filters has radically decreased the prevalence of spam emails arriving in email inboxes. At the same time, permission-based email marketing by ethical means has increased in prevalence. Email messages are by far consumers’ preferred method of receiving commercial messages from companies ([see data here](#)). As a result, effective email marketing is one of the highest ROI activities a company can undertake.

Managing a company’s email marketing requires actions on several fronts. The first task is list building—the company must obtain or cultivate a list of email addresses. Email addresses should be obtained directly from consumers along with their permission to email them promotional messages (also known as “opt-in” email marketing). Next, the content of the emails must be created. A good email marketer will optimize several aspects of the email content to maximize customer response and ROI. An overarching constraint of all of these actions is that the email marketer must ensure the company’s emails actually arrive in the recipient’s inbox and do not get blocked by spam filters, because even when consumers have given permission to email them, a spam filter might prevent a company’s email

from being delivered. We will conclude this chapter by reviewing best practices to avoid this problem.

# *Chapter 9 - Section 1 - Email List Capture*

The best email marketing content in the world won't benefit a company if it has no one to email the content to, so the first step in an email marketing strategy playbook is to capture email addresses. Using only the most ethical email capture techniques is in the company's best interests, because otherwise, the company's emails could be blacklisted by spam filters, which would prevent the emails from being received by consumers at all.

Online retailers have an especially easy job when it comes to email capture. Every customer purchase is an opportunity to capture the customer's email address and gain the customer's permission to send her email marketing messages. Consider the screenshot below, which is what appeared when an Overstock.com customer began the checkout process.

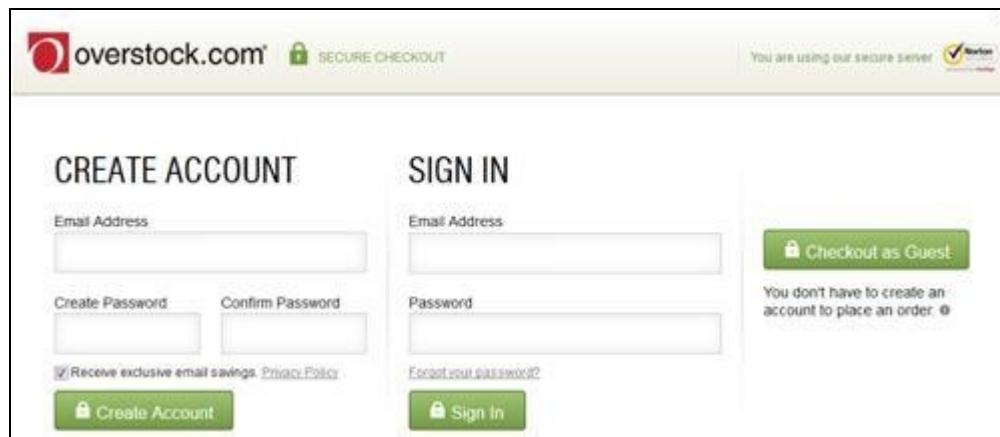


Figure 9.1.1

A new Overstock customer has two options to check out and complete her purchase. She can create an account by entering her email address and a password, at which point, if she does not uncheck the box next to, "Receive exclusive email savings," she will now be on Overstock's email list. If she checks out as a guest, she will see the following screen:

The screenshot shows the Overstock.com secure checkout process. It includes fields for Billing Address and Shipping Address, both marked as required (\*). A checkbox for receiving email discounts is checked by default. The Order Summary shows a Subtotal of \$129.99, Shipping as FREE, and a Total of \$129.99. A green 'Submit Order Now' button is visible. A Norton security seal indicates the site is using a secure server.

Figure 9.1.2

Here, again, if she does not uncheck the box next to “Receive exclusive discounts by email,” she will be signed up for regular emails from Overstock. But it doesn’t end there. Many customers who browse Overstock.com may see the following pop-up:

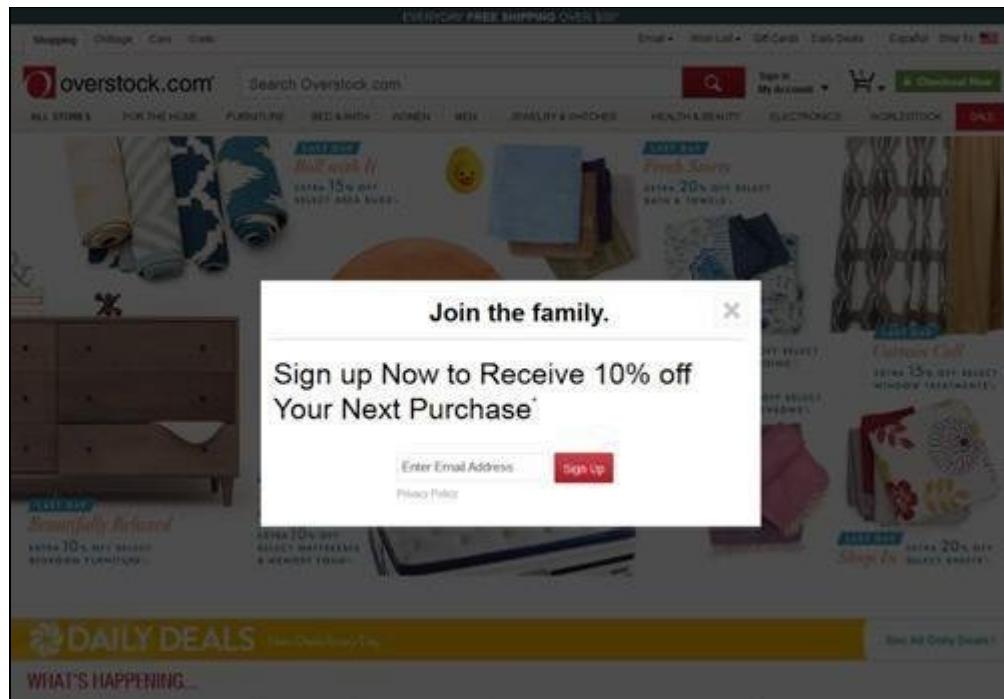


Figure 9.1.3

In addition, in the background of that screenshot, one can see the “Email” tab on the top right of the screen, which gives customers yet another place to sign up for Overstock’s email list.

Most email marketers recommend that email collection be “opt-in” and require an action like clicking on a check box to be subscribed to emails

rather than “opt-out” like Overstock does. If the box is checked by default, many customers may end up on the email list who do not recall signing up for regular emails. They may mark the company’s emails as junk, which makes that company more likely to be blocked by spam filters. Overstock is a heavyweight in digital marketing, so its reputation makes it less likely to be blocked by spam filters. But smaller entities should probably stick to the industry standard and only sign customers up for emails if they click on the box opting in. Another safeguard for email marketers is to use *double opt-in* rather than *single opt-in* when collecting email addresses. Rather than immediately adding an email address to the list upon sign-up (as is the case with *single opt-in*), double opt-in takes the extra step of sending a confirmation email, and only adds the email to the list when the user clicks in that email to confirm her desire to be added to the list.

Notice that in all of these sign-up opportunities, Overstock gives the customer an incentive to sign up for regular emails. Instead of saying, “Sign up for emails from Overstock,” it promises “email savings.” Describing the benefits of receiving emails is of vital importance to email capture. Customers need to know they will receive something of value when they sign up for regular emails. Email marketers can create a variety of incentives for signing up for an email list. Examples include the following:

- Free ebook or whitepaper (email required for download)
- Online webinar (to email registrants)
- Online contest or giveaway
- Collect email addresses at trade shows or other event
- Include social sharing buttons and “Email to a friend” button on emails

A creative email marketer should be able to come up with many more methods to build an email list. For companies that wish to avoid the effort of building their own email list, many entities offer email lists for sale, but that is probably the fastest route to the spam trap. In other words, purchased email lists are not a recommended route for any legitimate business.

A final key decision when capturing email addresses is whether to capture any supplemental information, and if so, what information to capture. Not all email capture forms ask for any supplemental information. Consider

Marketo's email capture below in Figure 9.1.4, which asks for nothing but the email address.

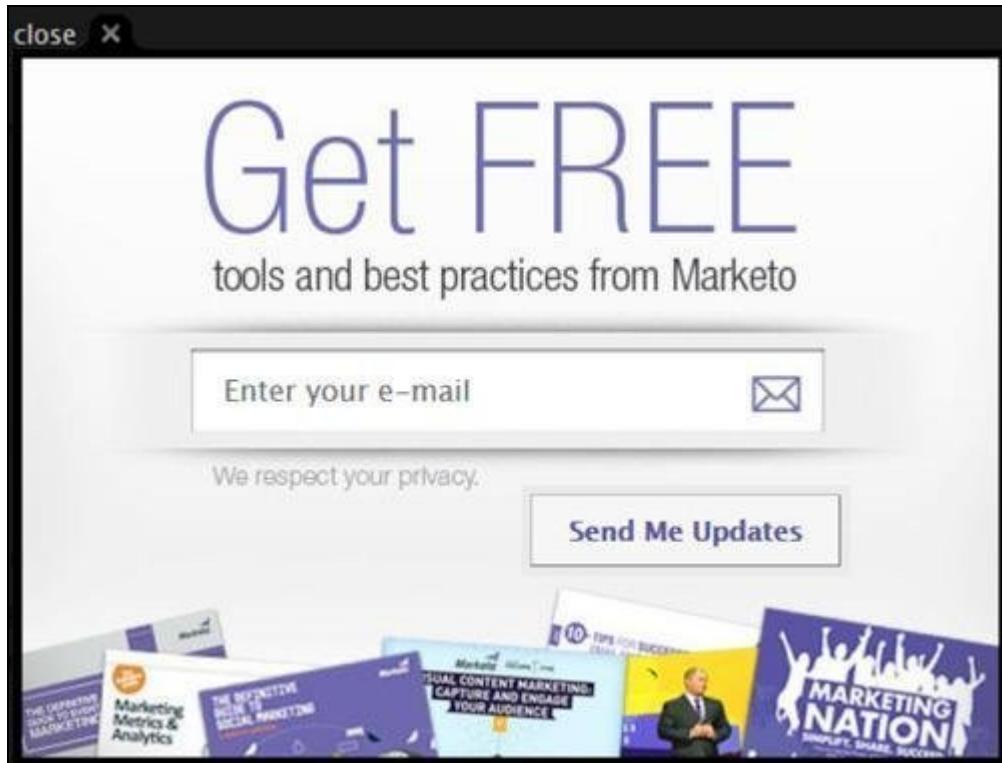


Figure 9.1.4

By contrast, consider Oracle's email sign-up form.

**Create Your Oracle Account**

Already have an account? [Login here](#)

Please complete all required fields and select your email communication preferences to create your Oracle Account.

This account can be used to access a variety of Oracle Services and Applications including My Oracle Support, OTN Forums, Oracle Store, Oracle Cloud, Oracle University, and Oracle PartnerNetwork as well as to register for Oracle Events.

\* Indicates required field

**Account Information**

* Email	Your email address is your username.
* Password	Passwords must contain at least one number, both upper and lower case letters, and be at least 8 characters long.
* Confirm Password	

**Personal Information**

* First Name (Given Name)	
Middle Name	
* Last Name	
* Job Title	
* Country	Please Select...
* State/Province	Please Select...
* City	
* Company	
* Address1	
Address2	
* Postal Code	
* Business Phone	

Yes, I'd like to become a member of the Oracle Technology Network (OTN)

Yes, I'd like to apply to become a member of the Oracle C-Central Community

Figure 9.1.5

Clearly, these different forms will yield different results. Marketo's email capture form will have a higher conversion rate. Oracle's form, because it is so laborious, will turn away all but the most determined customers. The upside to Oracle's long form is that its list will include only strong leads, meaning it won't waste time cultivating leads with no potential to become contracted customers. An additional benefit of this long form is knowledge. Oracle will be better able to segment its email list, because it already has vital information about the owner of the email address. It is impossible to say which company, Oracle or Marketo, has a "better" email capture form.

Companies should understand this tradeoff (between conversion rate and knowledge about the email owner) when deciding how much supplemental information to gather.

Many companies provide inexpensive email marketing software to help email marketers manage their lists. Whereas large companies like Overstock might use their own software to manage their email marketing efforts, most companies benefit from using a third-party email platform such as Constant Contact, Mail Chimp, Vertical Response, or any one of a dozen other platforms. These companies help not only in collecting and storing email addresses, but also in creating and distributing emails, segmenting the email list, testing email varieties, reporting performance, and so on. It is recommended that a company utilize one of these services from the start of its email-list-building efforts.

## Chapter 9 - Section 2 - Email Content

Once a company has signed up customers for regular emails on the promise of valuable content, it must create this valuable content and send it out at specified intervals to customers on the email list. The content of the email will depend on the business model of the sending company and the expectations set when the e-mail address was collected. Emails from retailers will look drastically different from emails sent by an online media company or a B2B services company. In addition to determining the content of these emails, an email marketer must determine when to send emails (i.e., what time of day), how often to send out the emails, and how to segment the email list.

### Content Types

Many companies engage the services of creative agencies to create their email content, because the goal of an email is to encourage customer action, just like in traditional off-line advertising. The type of content most likely to induce customer action will differ by business model, so below we provide examples of the types of content companies using various online business models might most profitably email.

**Online Retail.** The goal of an email marketer is clear—generate additional purchases. Online retailers should send discounts and/or promotions on

select merchandise to their email list. They can also send emails about new product lines or recommended products based on past purchases. For example, Nordstrom sent this very straightforward email about a sale on men's apparel along with information about specific products.

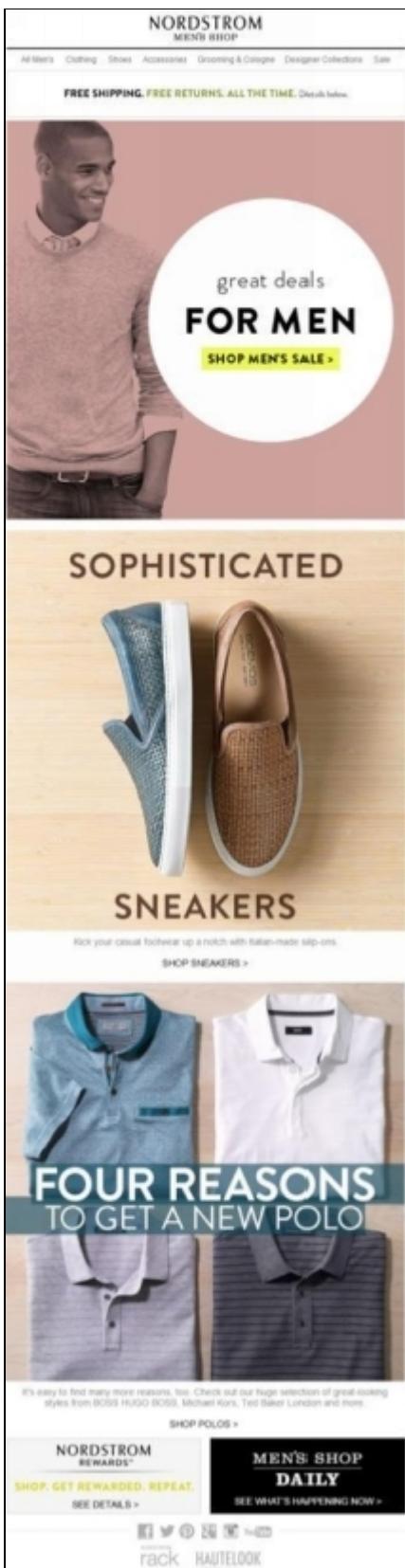


Figure 9.2.1

**Lead Generation.** It is typically more difficult for a lead-generation website to create valuable content for an email list, but most lead-generation websites can still implement profitable email marketing strategies. For many companies with a lead-generation website, regular emails can help maintain long-term relationships with customers. For example, a real estate agent may send out regular emails about new houses on the market to customers they know are looking for a house. The real estate agent may also send house-hunting tips or tips on how to improve the market value of a house. These emails could increase current customers' satisfaction and could help maintain the agent's relationship with past clients so that when they wish to move, they will contract with that agent again. In general, emails from companies with a lead-generation website should contain useful information in the company's domain of expertise (e.g., tips on energy conservation from an air-conditioning company), promotions or discounts to induce business when possible ("Beat the Summer rush! Receive 15% off an A/C tune-up in April."), or requests for referrals. Below is an email from Moab Adventure Center.



Jeff

Here's a final reminder to redeem the offer that will give you the most exciting gift under the tree this holiday season! Get \$100 off per person on one of our 2 most popular trips - Cataract Classic 4 Day Trip or Green River Desolation Canyon 5 Day Trip. Book one of these trips online before 11:59 PM (MST) December 3, 2013 and enter promo code BF13 (case sensitive). Space is filling fast, so plan your adventure soon! Offer good for 2014 departures only.

**UTAH  
CATARACT CLASSIC  
4 DAY TRIP**  
MAY - AUGUST  
MIN. AGE: 10-12  
DEPARTS FROM:  
Moab Adventure Center  
Moab, Utah  
Go FREE with 18 Guests  
[LEARN MORE >>](#)

**UTAH  
DESOLATION CANYON  
5 DAY TRIP**  
MAY - JULY  
MIN. AGE: 5  
DEPARTS FROM:  
Moab Adventure Center  
Moab, Utah  
Go FREE with 25 Guests  
[LEARN MORE >>](#)

As the pace of life gets busier and busier, the harder it becomes to share quality time with friends and family. Consider planning an unforgettable journey - an experience that will lead you to hidden canyons far removed from the bustle of life. You'll discover ancient cultures, star-filled nights and whitewater thrills... and you'll re-discover each other.

#### Moab Adventure Bucks eGift Cards

Buy **Adventure Bucks** during our Black Friday deal days (between November 28, and December 3, 2013) and get \$100 of adventure for only \$85 bucks! Bring the family together to redeem these, or just sneak over to Moab for your own little adventure! These deals expire, so hop on it!

[Learn more about Moab Adventure Bucks](#)



Figure 9.2.2

**Search Engines.** A hotel search engine likely has access to information about great deals on hotels or vacation packages. Sending regular emails to customers about these great deals could lead to added business for the search engine (which usually receives a commission on hotel bookings). A regular email like this could also keep the search engine top-of-mind, making the customer more likely to use that search engine in the future, a major benefit for the fiercely competitive search engine business. Below is an email from Kayak.com with some of its weekly deals.

**KAYAK** ALERT

Hotel Deals Flight Deals Cruise Deals Package Deals Car Deals

### KAYAK's Favorite Deals This Week



**\$699\* & up**  
Flight Sale to Europe: There's Still Time to Book for Late Spring  
Visit Milan, Amsterdam, London & beyond. Book by 4/10.  
**KLM, Royal Dutch Airlines**

[View Advertiser Terms & Conditions](#)



**\$345\* & up**  
Choose Your Caribbean Vacation & Redeem Up To 60,000 Miles  
Customize w/ many flight & hotel options avail. Book by 4/30.  
**Delta Vacations**

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Download Free KAYAK App [iPhone](#) [iPad](#) [Android](#) [Windows](#)  
Take all the fun out of endlessly searching for flights.  
Compare hundreds of travel sites at once, right on your phone.





**\$499\* & up**  
65% off Dominican Republic Vacation  
4 Nts w/ Air + All-Inclusive Grand Bahia Principe La Romana  
**CheapCaribbean.com**

[View Advertiser Terms & Conditions](#)



**\$179\* & up**  
Hotel Sale: Weekends at a 4-Star Downtown NYC Hotel  
Good for Fridays, Sundays & Mondays in Jul / Aug. Book by 4/30.  
**Sheraton New York Tribeca; Travelzoo**

[View Advertiser Terms & Conditions](#)



**\$1,799\* & up**  
Save \$760 on a Melbourne & Sydney Vacation Package  
Includes 8 night hotel & flight w/ taxes. Book by 4/14.  
**Goway Travel, Travelzoo**

[View Advertiser Terms & Conditions](#)

Low fares from Salt Lake City (SLC) found by KAYAK users:

<b>\$387^</b>	<a href="#">To Las Vegas (LAS)</a>	<a href="#">More SLC-LAS fares</a>	<a href="#">Deals around LAS</a>
<b>\$267^</b>	<a href="#">To Phoenix (PHX)</a>	<a href="#">More SLC-PHX fares</a>	<a href="#">Deals around PHX</a>
<b>\$198^</b>	<a href="#">To Seattle (SEA)</a>	<a href="#">More SLC-SEA fares</a>	<a href="#">Deals around SEA</a>

[Change Airport](#) [More Salt Lake City deals](#)

<sup>\*</sup>Fares found by KAYAK users over the past 48 hours. Fares are round-trip and include taxes.



**Find great deals.**  
Compare hundreds of travel sites at once.

[Go Now.](#)

[Email Preferences](#) | [Feedback](#) | [Unsubscribe](#) | [Privacy Policy](#) | [Download App](#)

Figure 9.2.3

**Online Media.** Online media companies make money when users spend time on their websites (and also view the ads placed there by advertisers).

Sending users a daily email about the site's top content for the day is a great way to encourage regular visits to the website. For example, *The New Yorker* magazine sends emails like the one below.

# THE NEW YORKER



## COMMENT

### Opened Files

by Margaret Talbot

Sometimes a smaller crime allows us to check a much greater one. It's a lesson worth remembering in the case of Edward Snowden.

## A REPORTER AT LARGE

### Death Dust

by Dana Goodyear

The valley-fever menace.

## THE TALK OF THE TOWN

### Roadkill

by Ben McGrath

Where does Bridgegate fall on the Gridlock Scale?

## A CRITIC AT LARGE

### Bad News

by Jill Lepore

The reputation of Roger Ailes.

## For Subscribers

Jerome Groopman on [caring for the sickest children](#); Connie Bruck on [how an oligarch got into the American music business](#); John Colapinto on [a high-concept renewal in Chicago](#); and more, at [archives.newyorker.com](#)



### THE SPORTING SCENE THE INFINITE MERCY OF BILL BELICHICK

by Brendan I. Koerner



### THE FRONT ROW HITCHCOCK AND THE HOLOCAUST

by Richard Brody



### VIDEO THE LAST BREATHS OF FILM PROJECTION

by Sky Dylan-Robbins



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CONDÉ NAST

Figure 9.2.4

**Online B2B Services.** The sales cycle for a B2B services company can be very long, stretching from several months to over a year in some cases. Regular emails to potential customers can help this sales process. Typically, the emails will contain useful content about best practices in the industry. For example, a marketing automation company like Eloqua or Marketo could send a marketing case describing how a client was able to increase sales by XX% by responding to demo requests in a timelier manner using that company's software. Such emails could help establish the company as a market leader in the minds of potential customers while convincing them of the value of their software, thus increasing the likelihood of a closed deal. Typically, promotional deals would be less valuable email content for an online B2B services company, because they often negotiate contracts individually with clients. For example, Adobe, in promoting its web analytics software, sent the following email.

The screenshot shows a landing page with the following elements:

- Header:** An Adobe logo in the top-left corner and the word "Adobe" in the top-right corner.
- Section 1:** A large yellow header area containing the title "Analytics for the CMO" and a subtitle "How best-in-class marketers harness data to drive profits".
- Section 2:** A vertical image of a white paper titled "Analytics for the CMO" from "Aberdeen Group". The paper includes a small globe graphic at the bottom.
- Text:** Below the image, a paragraph explains that there's no shortage of customer data but marketers aren't using it fully. It mentions a new Aberdeen white paper that identifies common analytics challenges and how to overcome them.
- Section 3:** A section titled "Build insight" which lists three key competencies: "How web analytics can transform your business", "Becoming insight rich through data", and "How to create a "single version of the truth"".
- Section 4:** A section titled "Boost profits" with a sub-section about putting advanced analytics to work. It encourages users to download the Aberdeen white paper to learn how top performers turn data into profit.
- Call-to-action:** A prominent orange button labeled "Download now" is located next to the white paper image.
- Social media:** Social media links for Facebook and Twitter are present, along with small icons for each.
- Page footer:** A standard footer with navigation links like "Home", "About", "Contact", etc., and a copyright notice for "© 2011 Adobe Systems Incorporated".

Figure 9.2.5

## Email Timing

If one were to survey consumers about how often a company should reasonably send emails, most would likely say that a company should not send more than one email per week to customers. Contrast this supposition with actual email marketing practice, in which many companies send several emails per week, and some even send more than one email per day. In general, companies send emails more frequently than consumers think is reasonable, because every email has the potential to drive additional sales. The answer to the question, “How often should a company send emails to its

email list?” is “As often as it can create valuable content.” For a small B2B services company, creating one good white paper per week may be a stretch, in which case, it may want to send less than one email per week. In the case of an enormous retailer like Overstock.com, the company may have enough promotions and discounts of interest to customers to send emails daily.

An additional question about timing pertains to the hour of the day in which the email should be sent. The answer to this question is “Whenever customer response will be highest.” For a B2B services company, emails should likely go out during regular business hours, when potential clients are at work. For an online retailer, response may be highest during the early evening, when consumers are at home and relaxed and are thus more likely to consider purchasing the latest deal they see in their inbox. Of course, email marketers should not trust these decisions to intuition. The best timing of emails can be easily tested by sending emails out at various times of the day and observing when response rates are highest.

## Segmentation

If a company has collected an email list of any respectable size, the customers on the list likely differ greatly from one another in many respects. Savvy email marketers pay attention to these differences and send different email messages to different segments of customers to give them content they are more likely to find valuable. For example, if one customer signed up for Overstock’s email list when buying a couch, whereas another signed up for the email list when buying jewelry, sending the first customer an offer of free shipping on a furniture purchase and the second consumer a coupon for 15% off his next jewelry purchase makes more sense than sending them both a discount on outerwear. By strategically segmenting a customer list, an email marketer can increase email response and thus the profitability of email marketing efforts.

The first segmentation decision an email marketer faces is whether to send a broadcast email only to select segments of the email list, or to send an email to the entire list and change parts of the content of the email based on segmentation. If an email marketer has segmented his database of email addresses based on past purchases, he may wish to send emails only to the “jewelry” segment if Overstock decides to run an aggressive 30% off jewelry promotion. But during the week of Thanksgiving, when it sends out Black Friday promotional deals, Overstock may want to send emails to the

entire email list, but change a section of the email itself to cater to various segments.

Segmentation of email customers can be done based on any information that provides a reliable indicator of the type of email content the email customer would prefer to see. We now provide several possible bases for segmentation, though this list will not be exhaustive. Creative email marketers should be able to find other ways to segment their email lists to increase profitability.

**Past purchases.** A customer who has purchased in a particular product category has given a strong signal about the kinds of products she is willing to purchase from the company. Email marketers should take advantage of this signal and provide content around this product category or complementary categories.

**Past email response.** Some members of the email list are bound to be more active responders to emails than others. More responsive members should perhaps receive emails with greater frequency, and members who go too long without responding in any way to emails should be removed entirely from the list. Some customers respond to discounts, whereas others respond more readily to free shipping or other incentives. These customers should receive more of the promotions to which they respond.

**Customer preferences.** In some cases, customers may explicitly request some forms of content. Companies can facilitate these requests in both the email sign-up procedure and the unsubscribe landing page. The only piece of information that *has* to be collected on an email sign-up list is the email address, but a company can provide customers with the option of filling out additional information about themselves. The company can use this information to segment its email list. Likewise, when customers choose to unsubscribe from an email list (usually by clicking a link in the email that should always be present in broadcast emails), they will be taken to a landing page the company manages. On this landing page, the company can provide the customer with the option of managing her subscription by receiving less frequent emails or only receiving emails about certain topics.

**Demographics.** In general, demographics are not as informative in predicting customer behavior as many marketers tend to believe. For example, the shopping preferences of two 40-year-old males may differ from one another

as much as they differ from a 20-year-old female. That said, some demographics might help predict behavior and thus serve as a valuable basis for segmentation, particularly in B2B settings, where the current work role of the email holder could provide important clues regarding the likelihood of gaining business with that potential customer.

**Location.** Customers in different geographic locations may respond better to different emails. A clothing retailer like Nordstrom may want to promote different winter clothing to its Florida subscribers versus its Massachusetts subscribers. Plus, shipping rates might differ in different regions. If members on a company's email list reside both in and outside of the United States, segmenting on country may increase response.

**Device.** With the increased use of mobile devices, emails are increasingly being read on a small handheld screen rather than a full desktop monitor. For subscribers who check email on their smartphones, the layout of the email may need to differ, and the image files may need to be smaller to accommodate slower mobile download speeds.

## Other Email Types

Thus far we have discussed *broadcast emails*, or emails that go out at timed intervals to all or part of a company's email list. But email marketers must also manage three other types of emails that go out to customers—*transactional emails*, *triggered emails*, and *onboarding emails*.

**Transactional Emails.** When a customer makes a purchase from an online retailer but does not sign up for the email list, the retailer may still send the customer emails about the transaction. For example, the customer may receive separate emails about any and all of the following aspects of the transaction: an automated confirmation of the order, a confirmation when the credit card has been charged, confirmation of shipment, confirmation of delivery, news of a delay of shipment, and so on. By rule, the subject line must express the purpose of the email, and the pertinent information must be at the top of the email content. Other marketing materials may be included in the email (e.g., recommendations for related products), but these materials must come after the main content of the email.

**Triggered Emails.** Email marketers may wish to send emails outside the regularly scheduled broadcast emails based on a customer's particular actions. The most prevalent (and profitable) example of triggered emails is

abandoned cart emails. When a recognized customer places an item in her digital shopping cart but does not complete the transaction, the company may send the shopper an email reminding her that she has an unpurchased item in her shopping cart, perhaps with a small discount to incentivize her to complete the transaction. Her shopping behavior triggered this email. Other triggered emails might include a request to review a product recently purchased by a customer or a “Welcome back!” email sent to members of the email list who haven’t opened an email for several months.

**Onboarding Emails.** Email subscribers are typically most engaged (meaning most likely to open and respond to emails) when they first sign up for the email list. Sending new subscribers a welcome email with a special promotion is likely to produce a good response. But beyond a single welcome email, onboarding emails can include a whole series of three to five emails to establish the customer-company email relationship. Potential content for onboarding emails include the following:

- Welcome offer
- Invitation to connect on social media
- Invitation to download mobile app
- Invitation to refer friends (often for additional reward)
- Reminder about welcome offer
- Explanation of website features

## Subject Lines

Perhaps the most important part of any email is the subject line. Many if not most of the customers on an email list will never see any other part of the email, so the subject line is the key piece of content that will determine whether the customer opens the email, ignores it, or deletes it. Although email marketers can get very creative in writing subject lines, the most effective subject lines all have one thing in common: they are accurate and informative. A subject line should accurately describe the content of the email so the customer knows whether she wants to read more.

Many companies will test multiple subject lines to maximize email effectiveness. Email marketing software often allows marketers to take a small portion of their total email list and distribute an email to that portion with variations in the subject line. Based on the performance of these subject

lines, the company can then use the winning subject line on the email sent to the rest of its list. Simple testing can mean hundreds to thousands more emails opened and acted upon.

## Landing Pages

For a major online retailer like Overstock.com, a single email may have over 10 different bits of content. Consider the example email from Overstock.com below. It contains a coupon for 10% off outerwear, another coupon for an extra 10% off sweaters, an additional coupon for an extra 25% off outerwear, two clickable areas to enable a user to shop for men's or women's outerwear, and another section to shop for men's or women's outerwear by specific brands. And that's only the top half of the email. If clicking any of these sections brought the email recipient to Overstock.com's homepage, the email marketer has failed miserably. Each one of these sections should take the email recipient to a dedicated landing page (a page that corresponds perfectly in terms of look, feel, and content to whatever was clicked). If the recipient clicks on the coupon for 10% off outerwear, she should go to a page showing outerwear, all for 10% off. If she clicks on the coupon for an extra 10% off sweaters, she should go to a page with only sweaters for 20% off. If she clicks on one of the individual brands, she should see only outerwear from that brand, and so on. Matching email content with appropriate landing pages requires that the email marketer work closely with web developers and designers to ensure that high-quality dedicated landing pages are ready when the email is sent.

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**Women's Outerwear by Brand:** [Larry Levine >](#) [Nuage >](#) [Adi >](#) [Kenneth Cole >](#)

**Men's Outerwear by Brand:** [Kenneth Cole >](#) [Nautica >](#) [Ed Hardy >](#) [Knole & Carter >](#)

Figure 9.2.6

## Chapter 9 - Section 3 - Measuring Success

Creating good email marketing content requires combining creativity with good analysis. Measuring the success of an email campaign or a single email blast is straightforward if the database is set up properly to track the appropriate metrics.

**Open Rate.** Good open rates are crucial both for avoiding spam filters and for overall profitability. A company's emails can't increase sales if recipients do not view them. Open rates are a good indicator of the quality of the subject line. Open rates vary by industry, but an open rate of 20% is about average.

**Click-Through Rate.** A good measure of the quality of the email content is the percentage of readers who click on a part of the email. If a company's goal is to sell product, it must induce a click to investigate the featured product before a sale can occur. If the goal is to generate visits to its media website, the company must induce a click on the email to take visitors there. As with subject lines, content can be tested by sending different bits of content to different random subsets of the email list. The subset with the highest click-through rate (CTR) received the best email content. CTR can be improved by using strong calls to action and good images that entice readers to visit the website. An average CTR is about 3.5%, or about 18% of openers clicking on part of the email.

**Conversion Rate.** Just generating a visit to the site is not helpful if none of those visits converts to a purchase (for an online retailer). In the end, what matters to an online retailer are sales, not visits. Some email content might have a high CTR but a low conversion rate or vice versa. A good email marketer will track both metrics to determine which content is more successful. A good retail site often has a conversion rate of 3% to 5%, but the conversion rate of email traffic, because the email recipients are already subscribed customers, should be higher.

**Average Order Value.** An email featuring a special on furniture is almost sure to have a lower CTR and conversion rate than an email featuring some inexpensive fashion accessories, but selling one couch for \$1000 is more profitable than selling 50 pairs of earrings for \$5 each. Combining all four metrics—open rate, CTR, conversion rate, and average order value—an email marketer can easily track the success of the email campaign or of an individual email blast.

**List Churn.** A company needs to be aware of how frequently its emails are causing people to unsubscribe. If it's losing subscribers faster than it's gaining them, due to irrelevant content, email frequency, and so on, then its email marketing strategy isn't sustainable and should be changed. A company can expect every email it sends to cause a certain percentage of its email list to unsubscribe, even if its content is good, which is why a good process for generating new email subscribers is needed.

# *Chapter 9 - Section 4 - Avoiding Spam Filters*

The U.S. Congress passed the CAN-SPAM (Controlling the Assault of Non-Solicited Pornography and Marketing) Act in 2003, which details the law governing email marketing communications. As many in the industry predicted, the law had almost no effect, because the Act provided no funding for enforcement, leading industry cynics to remark that the CAN-SPAM act meant that you “can spam” all you want. Yet nowadays, almost all successful email marketers large and small comply with this law, not because of the law itself, but because of the increasing success of spam filters. Spam filters use highly sophisticated methods for discovering which companies are using illicit practices in any part of the email marketing. They then block these senders, resulting in much less delivered spam email than existed in 2003.

Getting caught in spam filters is death to an email marketing campaign. Email marketers should abide by the highest standards to ensure that policing agencies never suspect the company of engaging in spam-like practices. Below we list these practices with a brief explanation of why they are important.

## **Clean the email list**

A good email marketer should be paying attention to actions from members of the email list. Responses to emails should form the basis for segmentation of the email list and content creation of future emails. Email marketers should also pay attention to bounces, which are emails that are sent out by the company but do not reach the destination in-box.

**Hard Bounces.** A hard bounce indicates the email address is fake. This email address should be removed immediately from the list.

**Soft Bounces.** Soft bounces typically indicate the email in-box is full. This email address should be removed from the list after several soft bounces in a row (typically four or more).

**Non-Opening.** If a recipient has not opened a company’s email in several months, that email should be removed from the list. Another trick spam filters use is to take over defunct email addresses (addresses that used to be owned

by a real user but are no longer in use) and find which companies continue to send emails to inactive email addresses. This approach will also result in the company's emails being blocked, so email addresses that do not open the company's emails should be removed.

## Use Double Opt-In

The first line of defense against spam filters is a clean list of email addresses pertaining to (1) real people who (2) do not mark a company's emails as spam or junk and (3) regularly open those emails. Single opt-in lists can sometimes lead to fake email addresses being added to a company's email list. For example, if an offline retailer like Nordstrom or Express asks its shoppers for their email addresses, consumers may respond with a fake email address, or worse yet, store managers may add fake email addresses to fill their store quota. Sending an email to a fake email address results in a hard bounce. Spam filters pay attention to the bounce rate of bulk emails from companies, so having a high bounce rate due to fake email addresses will very quickly get that company's emails blocked by spam filters.

Spam filters also block emails if many receivers mark a sender's email as spam. This is much less likely to happen under a double opt-in email policy, so double opt-in also protects against this cause of being blocked.

Additionally, spam filters will quickly block a company with a very low open rate, or a small percentage of people opening their emails. Open rates will be higher for a company using a double opt-in email policy, thus providing additional protection against spam filters. In addition, email service providers themselves (Yahoo!, Gmail, etc.) may stop delivering emails from senders whose emails are never opened.

Though this should go without saying, companies should never send emails to purchased lists or lists gained through scraping the web. Spam filters set up lots of fake email addresses that end up on these purchased lists or are placed on the web to be scraped. Then the spam filter knows immediately which entities are using illicit practices to obtain email lists.

## Provide an Unsubscribe in Every Email

If a member of an email list decides she no longer wishes to receive emails from a company, that company should make sure she can easily unsubscribe. Otherwise, she is likely to mark that company's email as junk instead, which

is a much worse outcome. The unsubscribe button or link should be very easy to find. Many email professionals recommend putting the unsubscribe link at the top of the email as further protection against being marked as spam, though an unsubscribe link at the bottom of the email is probably sufficient. A company may collect some limited additional information on the unsubscribe landing page or help customers stay on the list for a more limited set of emails. For example, it may ask them why they are unsubscribing, and it may provide additional subscription options, such as signing up for emails only on specific topics or for a lower frequency.

## Comply Immediately with Unsubscribe Requests

Some companies wait a week or 10 days to comply with unsubscribe requests. In this day and age of modern technology, making an electronic unsubscribe request take place on an electronic database immediately should be easy for any competent database manager. Most email marketing software packages take care of unsubscribes automatically.

# **Chapter 10 -**

## **Social Media 1**

Introduction

- 1 - Social Media Myths
- 2 - Social Media Plan
- 3 - Defining the Objective
- 4 - Social Media Content
- 5 - Distributing and Promoting Content
- 6 - Measuring Success
- 7 - Facebook

## Chapter 10 - Introduction

### Chapter 10 Learning Objectives

After reading this chapter, students should be able to:

- Describe the virality formula and use it to increase the likelihood of a social media campaign “going viral.”
- Describe the parts of a social media campaign plan and use this plan to design an effective campaign.
- Determine effective ways to use Facebook in a social media campaign.

The goal of the next two chapters is to provide some principles for the effective use of social media for commercial purposes. Note that these two chapters cannot guarantee a successful social media campaign, any more than a book chapter can guarantee an effective television commercial. Instead, we will provide a framework to think about managing social media properties and creating social media campaigns that add value to a company’s existing marketing activities.

Because of the vast quantities of misinformation about social media marketing, we begin this chapter with several myths about social media. We then provide a general framework for thinking about creating and tracking social media campaigns. We then spend the rest of this chapter and the next discussing particulars of many of the larger social media platforms. Because the various platforms differ in fundamental ways, understanding each platform uniquely is important. Facebook is the largest social media platform in terms of users, so in this chapter, we discuss the particulars of social media marketing through Facebook. In the next chapter, we discuss marketing on other notable social media platforms, including Twitter, Pinterest, YouTube, and LinkedIn.

# *Chapter 10 - Section 1 - Social Media Myths*

As an end user, most people are likely to already know a lot about social media, but their knowledge about social media *marketing* is likely a bit more limited. Still, what one does know about social media marketing may contain some misinformation and exaggeration, so we begin by clearing up some of the more common misconceptions about social media marketing.

## **Myth #1: Social media is free.**

Although it is true that social media platforms do not charge companies for many of their social media activities, these activities still cost money and resources, because companies have to pay employees to actively manage their social media activity. Having a social media presence without actively managing it can have a negative impact on the company. For example, a company with a Facebook page that has no activity in the past year can give customers the impression that the company is no longer in business. Thus, a company must allocate resources to the management of its social media marketing on a continual basis.

## **Myth #2: Good social media must “go viral.”**

A video, blog post, infographic, or news article “goes viral” when many of the people who originally saw the piece voluntarily post it to their own social media accounts, spreading it to additional viewers, many of whom also post it, spreading it further, and so on, until it reaches market saturation. Companies can earn huge benefits when one of their sponsored materials goes viral, and companies should and do take efforts to maximize the potential for their sponsored materials to spread through social networks, and we will discuss these principles in detail in this chapter. But only rarely does a company’s marketing information truly go viral, and predicting when and if something will go viral is almost impossible, so a company cannot form a marketing plan around something going viral. Such a plan is all but guaranteed to fail.

## **Myth #3: Social media will replace traditional media.**

Traditional media is in decline and social media is on the rise. Although this statement is true, only very flawed logic leads one to expect that traditional media will soon decline to zero and that social media will soon absorb all media budgets. Traditional media may be shrinking, but it is shrinking at a slow rate, so we can expect it to be around for at least several more decades. And although social media spending is indeed rising at a rapid rate, there is no reason to believe this rise should hasten the decline of other media formats.

**Myth #4: Good social media must reach millions of people.**

The goal of any media is to influence the purchase decisions of as many people as possible. But even media with a very modest reach can be highly beneficial to a company. For example, a small company that advertises only to the local market through its cable affiliate can see a large return on investment, even though only a few thousand people see the advertisement. The same principle applies to social media. The success of a social media campaign cannot be measured simply by volume. Some highly effective social media campaigns may only reach a small number of key targets.

**Myth #5: A good social media campaign can fix most other problems.**

Many companies seem to think they are one good social media campaign away from huge success, even if their customer service is lousy, their manufacturing quality is poor, and their distribution line is highly inefficient. Although an effective social media strategy can yield a positive ROI, it is not likely to fix any problems outside of the marketing department.

**Myth #6: Social media should function independently of traditional media.**

The mechanics of social media function very differently from traditional media, and as a result, many companies run their social media independent of their traditional media. This is a mistake. The goal of social media and traditional media is the same—to attract customers—and efforts in both areas can and should reinforce one another.

These myths should give some idea of what social media is not. The rest of this chapter provides a framework of what social media is and how to use it effectively.

## *Chapter 10 - Section 2 - Social Media Plan*

Just as there is no one-size-fits-all model for creating effective television commercial, there is also no one-size-fits-all model for creating effective social media campaigns. Thus, the goal of this chapter is not to give you a plug-and-play method for creating a social media campaign, but rather to provide you with a framework for making wise decisions about the various parts of a company's social media program. A company's social media plan can be effectively created by following these four steps.

1. Determine the objective
2. Plan the content
3. Distribute and promote content
4. Measure success

The next four sections consider each of these steps in detail.

# *Chapter 10 - Section 3 - Defining the Objective*

Before a company begins to build its social media presence, it should first define its objective. Many companies have ineffective social media because their objective is simply to grow their social media presence. Having millions of Facebook fans or Twitter followers is only worthwhile if these fans or followers make a positive impact on the company's bottom line. That is, social media is only successful if the company's social media activity increases its followers' purchase likelihood, purchase frequency, or purchase amount. Thus, a company should define its social media objective in terms of how its social media activity will affect customer behavior. For most companies, the objective of their social media efforts will likely be one of the following: (1) building brand equity or (2) inducing additional purchases. Companies have used social media to fulfill other objectives, and we will also discuss some of these more specialized objectives.

## **Building Brand Equity**

The primary objective of traditional media like television and magazine advertising is to build brand equity. Building brand equity means increasing consumers' positive mental associations with a brand. Any other marketing classes would have taught that consumers' perceptions of brands greatly influence consumer decisions—they choose the brand they perceive to be better, and are willing to pay more for that brand, even if it is objectively no better than its competitors. The positive mental associations a person forms with a brand can be product-centric, but they need not be. For example, a car commercial may communicate a car's high horsepower and gas mileage, in an attempt to build brand equity by convincing consumers of the superiority of the car. But Coca-Cola almost never advertises the superiority of its product, opting instead to build brand equity by increasing consumers' positive emotional connections with the brand. Social media is a powerful tool for building brand equity, because it enables companies to advertise to customers in a medium in which customers are more engaged than they are with traditional media.

Although building brand equity is a worthwhile goal for a company's social media efforts, the company should also have in mind exactly how this increased brand equity will help the company accomplish its business objectives. For brands of consumer packaged goods like Tide, Kleenex, or Oscar Mayer, higher brand equity increases sales by increasing the likelihood that a consumer chooses its brand over a competitor while grocery shopping. High brand equity may also increase consumers' usage frequency of its products. For example, a family may feed its children hot dogs more often if it feels a stronger affinity for the Oscar Mayer brand. For a business-to-business company, higher brand equity may increase the likelihood of closing a long-term contract with a client. For example, IBM's strong brand equity helps it close lucrative IT consulting contracts with myriad clients. Social media content can help increase brand equity in ways that are more likely to increase sales if the company is precise about defining the purpose of its social media.

## Inducing Additional Purchases

One major advantage of social media over traditional media is that customers typically use social media on a device that allows them to make purchases directly. For television advertising to work, an advertisement must affect a customer's purchase decision much later on, when the customer is ready to make a purchase. But a customer on social media can typically click a link and make a purchase immediately. This immediacy gives social media two distinct advantages over traditional media. First, social media content might in some cases be more effective than traditional media in inducing purchases, because there is no time delay between seeing the advertisement and being able to make a purchase. Second, the company can more easily observe and track which advertisements are effectively inducing customer action.

Using social media to induce additional purchases from customers can be very profitable for companies. A company can often induce increased purchase of products that are strategically important. For example, it may push products with a higher margin, thus increasing profits. It may also feature products with excess inventory, thus helping the company manage its product supply. Inducing purchase through social media may make customers more loyal. Research has found that customers who engage with a company through multiple channels tend to be more loyal than customers who only use

a single channel to engage with a company. (This research needs verification, because the reverse causation argument is plausible—increased loyalty may simply cause customers to engage with a company through more channels, and not the other way around.)

One might wonder why a company would ever define its social media objective as building brand equity when it could be increasing sales directly with social media. The reason is that some products do not sell well online. Though there is no reason a customer *can't* buy Tide directly from the company's website, most people prefer to pick it up at the grocery store. And most auto manufacturers have contracts with auto dealers that prevent them from selling their cars directly online.

## Other Objectives

Though most social media content from companies is created in an effort to build brand equity or increase sales directly, companies can use social media for other objectives, and companies will likely discover/innovate new uses of social media in the future. We discuss several of these more specialized objectives of social media, but this list is certainly not exhaustive.

**Improve Customer Service.** Delta discovers and manages customer complaints on Twitter. Not only does this approach help Delta manage logistical problems, but it also prevents the Twittersphere from erupting in unanswered criticism of Delta.

**Reach New Customers.** Social media is best suited to strengthening current relationships with customers rather than forming new ones. Most people do not “Like” a company’s Facebook page or follow a company’s Twitter feed, for example, unless they are current customers or at least have an existing affinity for the brand. But some companies are occasionally able to create content that reaches beyond their existing set of customers. For example, Lay’s Do us a Flavor Facebook competition asked its Facebook fans to submit ideas for new potato chip flavors. These fans could then share their flavor ideas with their Facebook friends, thus allowing Lay’s to reach new customers.

**Provide Product Information and Support.** Some products are difficult to use, so companies can use social media to provide supplemental information and training assistance for customers. This outreach helps increase customer loyalty and may decrease customer support costs. For example, Cisco set up

a separate Facebook page called Cisco Support Community specifically for its customers to receive additional information and training on Cisco's products.

**Collect Customer Feedback.** People who have connected with a brand on social media likely are willing to provide feedback to the company about its products and content. Though this objective should probably be secondary in a company's social media activities, using social media followers for this purpose can be very beneficial.

# *Chapter 10 - Section 4 - Social Media Content*

For most people, the primary motivation for participating in social media is to connect with other people, not with companies. Likewise, most social media platforms are created to facilitate some kind of interpersonal interaction, not company-to-person interaction. As a result, it can be challenging for companies to connect with customers, because in essence, a customer who connects with a company on social media is volunteering to receive advertising from the company, and most people do not find advertisements inherently appealing. Companies start with this large disadvantage, but if they can create content that provides value to customers, they can overcome this deficit and connect with customers in a profitable way.

## **Creating Social Media Content**

Because people do not inherently value broadcast messages from companies, the content that companies create for social media must provide value to customers. Only a few select brands have sufficient brand equity such that customers value “social” interactions with the brand. These brands include, for example, Coca-Cola, Nike, and Apple, which are triumphs of modern branding and fall well outside the norm. For most of the several million brands in the world, customers will only care to view their content if it provides some value beyond a “social” interaction with the brand. We list several types of content consumers may find valuable.

**Humor.** Everyone loves a good laugh, so funny content has obvious appeal to customers. Unfortunately, humor is rarely an effective way to either build brand equity or induce additional purchases. Unless the humor is connected with the brand, posting a joke or funny video may give consumers a laugh, but it does not build equity for the brand in consumers’ minds. Likewise, humor does not make customers suddenly more likely to buy a product from the company that made them laugh, unless the humor promotes the company’s products in some way.

**Deals/Discounts.** The only consumers likely to see social media content from a company are either current customers (e.g., the only people to “Like” Huggies’ Facebook page are likely people with children who are using Huggies diapers) or those who have an affinity toward the brand (e.g., those who follow BMW’s Twitter feed are fans of the brand and its cars, even if they cannot afford to buy one). As a result, they are interested in learning about discounts on products from the company. Thus, a company can use its social media to inform customers about special deals or to create deals specifically for its social media followers.

**Contests/Drawings.** Every marketer knows the power of “free.” Contests or drawings that offer a prize are a good way to both attract followers to social media content (which we discuss in the next section) and to engage customers with social media content.

**Useful Ideas/Practices.** The most obvious example of this type of content is a company like Kraft Foods providing recipes using their products. But food companies are not the only companies with expertise about how to use their products. Most companies should be able to provide useful information about using their products or about issues related to their products. This kind of content is enormously beneficial for companies, because it directly encourages purchase of companies’ products while building brand equity with customers, who appreciate the help this content provides.

**Insider Knowledge.** Every company is privy to knowledge about the inner workings of the company or that company’s industry that are not widely known. In many cases, this knowledge is of interest to consumers. Millions of people are interested in knowing about the next iPhone or about any product Apple is looking to release soon, and though Apple keeps this information secret, it could publish bits of this information to keep consumers engaged. Customers may be interested in knowing certain details about the inner workings of a company, so this insider knowledge may be appealing to potential customers.

**Product Updates.** Because a company’s social media audience is mostly composed of current customers, these followers will be interested in hearing about updates to any products associated with the company. This information could include new products or changes in existing product technology. BMW’s Twitter feed, for example, continually posts about its new models and about updated features of existing models.

**News from the Icon.** For many people, a “social” interaction with a company carries little appeal, but some companies are associated with an iconic person who can be a spokesperson for the company, and news from this person may appeal to these people. For example, Richard Branson is the iconic personality behind the Virgin empire of companies. People may not be interested in hearing about Virgin’s business affairs, but they may be interested in hearing from Richard Branson, who has a thriving Twitter feed. Richard Branson can include in this feed news about some of his business dealings, which can benefit his many companies.

**Training/Education.** Many business-to-business (B2B) companies offer regular white papers or webinars via social media. This content is useful to followers because it may help them perform their job better. It benefits the company posting this content, because it sets the company apart as a thought leader, which can facilitate lead generation.

**Community.** Lifestyle brands are a rarity, but they do exist, so it should be noted that some people may be interested in connecting with a brand through social media because doing so enables them to interact with other users of the brand. These brands tend to have a rabid fan base, sometimes large, sometimes small. Examples include Crossfit (an exercise lifestyle brand), Burton snowboards, professional and college sports teams, music groups, and others.

## Determining the Content Format

Suppose a company determines that for its next social media post, it wants to share some insider knowledge about a new product. It has determined the content, but it must decide the format for sharing this content. The company has several options, from information rich (a video with several details about the new product) to information sparse (a picture of the new product). The company needs to determine which format best fits the content and the likely consumers of this content. Table 10.4.1 below lists several possible formats along with a major advantage and disadvantage of each.

Table 10.4.1

<b>Format</b>	<b>Advantage</b>	<b>Disadvantage</b>
Video	Versatile—almost any content type can be made into a video	Expensive to produce
White paper	Information rich	Only appeals to dedicated followers, so mostly only used in B2B settings
Webinar	Information rich	Only appeals to dedicated followers, so mostly only used in B2B settings
Infographic	Appeals to wide variety of consumers	Only select types of content can be made into an infographic
Blog post	Generates web visits	Social media users typically want content that is short to digest
Podcast	Information rich	Expensive to produce
Article	Comes from third party, so provides an independent endorsement	Company cannot control when others will create a worthwhile article

### Determining the Content Mix

Most social media content will contain a mixture of the various types of content listed above. Part of the content plan should include a desired mix of these content types, including a target percentage of content that should be of each kind. For example, a company like BMW may have 80% product updates and 20% insider knowledge, whereas another company like Kraft Foods may have 60% recipes and 40% deals/discounts. The objectives of the social media campaign and the constraints of the company should

determine this content mix. BMW may be able to load its content with product updates, but Kraft Foods may not introduce enough new products to create social media content around product updates.

Many social media marketers caution against having too much promotional content. The logic goes that consumers using social media are looking for social interaction, so too much “pushy” marketing content will turn them off. These fears are largely exaggerated. Most companies introduce new content at most once or twice per day, so promotional content like deals and discounts are not likely to clog social media users’ content feeds. And because users are likely to find these deals and discounts valuable, they will not be turned off by this promotional content.

# *Chapter 10 - Section 5 - Distributing and Promoting Content*

The best social media content in the world will not benefit a company if nobody consumes its content. Thus, an important aspect of any social media activity must be the promotion and distribution of content. Efforts to distribute social media content can be split along two veins. First, a brand needs to attract followers to its social media account(s). These followers will receive the company's regular social media posts, so increasing this list of followers will increase the consumption of its content. Second, the company should attempt to capture the viral capacity of social networks to reach new potential customers. By creating good content, a company can induce its followers to re-share its content, thus expanding the company's reach.

## **Attracting Followers**

Though each social media platform is unique, almost all of them have a method for allowing users to follow content from a particular entity, whether that entity is a person or a commercial interest. On Facebook, users "Like" a company's Facebook page (some companies have multiple Facebook pages, each with a different focus, and liking any page will only sign the user up for content from that particular page); on Twitter, Instagram, and Pinterest, users "Follow" a particular account; on YouTube, users "Subscribe" to a channel. By attracting a large number of followers, a company creates a built-in audience of users regularly receiving the company's social media content.

The chapter on off-site SEO showed that the most important influence in gaining external links is good content. The same is true of gaining followers to a social media account. Good content is likely to attract followers. Still, a company can do many things to accelerate this process of building a base of followers.

**Website.** The most common place for companies to attract followers to its social media content is its website. Almost every company with a social media presence will also post social media links on its website to enable website visitors to follow the company on any platforms on which the company has content. Because visitors to a company's website are by and

large customers or fans of the company, they are a great population for attracting social media followers. Most websites include these social media links on every page, not just the homepage. Companies can also have calls to action to provide extra encouragement to website visitors to connect with them on social media, but most websites have other specific goals for their visitors, and would rather focus on encouraging visitors to take these other desired actions (e.g., to make a purchase or fill out a lead form).

**Contests/Drawings.** When companies make occasional contests or drawings part of their social media content, they can also incentivize additional followers in a variety of ways. Some contests are based on attracting votes, which means that any followers who enter the contest are likely to share the contest with their social media connections (their friends or followers), and some of these friends will then connect with the company. If the company is doing a drawing for a prize, it can provide its followers with extra entries into the drawing when they share the drawing with their social media connections, or it can announce the results of the drawings only to those who have connected with its social media profile.

**In-Person Calls to Action.** To get customers to connect with them on social media, many companies will remind customers to connect with their social media accounts when they do business with them. For example, a local ice cream shop might use in-store signage to tell customers to “Like us on Facebook!” A chiropractor might remind his clients as they leave to follow him on Twitter. Or a large chain of retail stores might print such a call to action on receipts.

**Events.** Consumers are shifting their use of social media to their mobile phones, so they are often more likely to connect with companies that have a presence at events the consumer attends. For example, at the annual Consumer Electronics Show, technology companies promote their latest technology products. Attendees of this event would have a heightened interest in following companies that might live Tweet during the event, which could give them an inside scoop on when/where the company will be unveiling its newest wares. When the event is over, customers who have newly connected with the company would not necessarily disconnect from the company’s social media profile.

**Advertising.** On some social media platforms, companies can pay for advertising space to encourage users to connect with them. The most notable

example is Facebook, on which companies can pay to be featured on users' news feeds.

Of course, a creative social media marketer should be able to come up with other unique ways to attract followers.

## Encouraging Virality

It is almost impossible to predict whether a video or other content will "go viral," so a company's social media strategy should never center on creating viral content. However, a company can take certain action to encourage some measure of virality. Encouraging virality applies to all types of social media content, but we use videos to illustrate the principles of virality, because videos have traditionally been more likely to go viral than any other kind of content.

Consider a company that creates a humorous advertisement for its brand. It plans to use this advertisement in TV spots, but it also posts the video to its website, its Facebook page, and to YouTube in the hope of gaining some video views for which it does not have to pay. Because free video views are better than paid views, the company wants to maximize the video's virality. One way to think about virality is to calculate the number of additional video views that are generated (on average) from one person watching the video. A simplified formula for this number is

$$X = P_f * N * P_v$$

where X is the number of additional video views generated from a single person viewing the video,  $P_f$  is the probability of that person forwarding the video to other people, either by posting it on a social media account or by emailing it to a group of people, N is the number of people who see this forward, and  $P_v$  is the probability of any person who receives this forward viewing the video. We can use this formula to calculate the number of free views the company will gain from posting this video to Facebook.

Assume the company has 100,000 Facebook fans. When it posts this video to Facebook, 20,000 of these fans see the video on their News Feed, and 10,000 of them watch the video. So the company starts with 10,000 video views. The formula is meant to calculate how many *additional* views these first 10,000 views generate.

We can safely assume that most people do not re-post a lot of videos on their social media pages, so  $P_f$  will be closer to 0 than to 1. For this example, we will assume the video is indeed funny, so  $P_f$  is .02, or in other words, 2 of every 100 people who see the video will re-post it to Facebook. So to start, of 10,000 original views of the video, 200 of these people will re-post the video on their own Facebook pages. If each of these people has 500 Facebook friends, then an additional 100,000 people will potentially be exposed to this video. But in reality, not all 500 friends will see this video post, because many of them may not check Facebook that day, or Facebook may not show this video in the News Feed of all 500 friends. We will assume that of the 500 friends, 100 (on average) see the post in their News Feed, so  $N$  is 100. The 10,000 original views of the video result in 200 re-posts, which result in 20,000 additional exposures. Of the 20,000 people who see this video posted in their News Feed, not all will watch the video. If  $P_v$  is .25, or a quarter of the people who see the video in their News Feed actually watch the video, then an additional 5,000 video views are generated from the original 10,000 views the company generated by posting the video to its Facebook page. Of course, those 5,000 views will generate an additional 2,500 views, which generate an additional 1,250 views, which generate an additional 625 views, and so on. All told, according to this formula and the numbers we gave it, the original 10,000 views will generate an additional 10,000 views.

How does this formula help a company maximize virality? Let us examine each part of the formula. First,  $P_f$ , the probability that someone re-posts a video. This factor is by far the largest limiting one in virality. Most people do not re-post something unless it is especially powerful, humorous, useful, and so on. What almost all viral videos have in common is that  $P_f$  for these videos was anomalously high. Companies can attempt to increase  $P_f$  in a variety of ways. First, the content they create must be noteworthy. Though typically companies rely on humor to increase  $P_f$ , there are other types of content that people consider noteworthy, such as surprising, inspiring, useful, or educational content. Companies can also increase  $P_f$  by providing shortcut links on their websites to re-post the video or by providing the same links at the end of the video itself.

For the most part, a company can do little to affect  $N$ , the number of people who see a re-posted video. Many marketers speak of finding influencers, or people who are especially likely to influence others, typically because they are connected to a large number of people, or in this example, have a large number of Facebook friends. But this strategy is less effective on Facebook, because people with an abnormally large number of Facebook friends do not have close relationships with most of those friends, so their posts likely do not show up on many of those friends' News Feeds. Targeting influencers *is* a viable strategy on some social networks, however, especially Twitter, where followers vary by orders of magnitude from one person to the next. Asking some of these people with huge numbers of followers to retweet a link to the video may substantially increase  $N$ . Another way to increase  $N$  is to pay for additional exposures. Facebook allows advertisers to pay to promote friends' actions, so when someone Likes a video her friend posted, even if she does not re-post the video, the company can pay to promote that Like so it shows up on more people's News Feeds.

A company cannot control whether someone who sees a video in their News Feed watches that video, but it can still do a number of things to try to increase  $P_V$ , the probability that someone views the video when exposed to it. First, a company can optimize the title of the video, which is the main piece of information people use to determine whether a video is worth watching. The company can even perform A/B testing to determine which video title leads to the highest  $P_V$ . Second, the company can optimize the picture used in the video frame. The company should choose a frame from the video that best illustrates what the video is about. Using the black frame the video starts with is probably the worst possible choice.

Note that this formula, although useful, is a simplification, so this formula cannot be applied without some caveats. For example, consider a video with the following parameters:  $P_f$  is .02;  $N$  is 200;  $P_V$  is .5. According to those numbers, every video view leads to, on average, an additional two video views. So if we blindly apply this formula, we hypothesize that the video will experience exponential growth until everyone on earth has seen it. This hypothesis is obviously not an accurate reflection of reality, so where is this formula overly simplified? The biggest over-simplification of this formula comes from the fact that it does not account for overlaps in social networks. When someone re-posts a video he saw, many of his friends may have

already seen this video posted by someone else. So the first person who posts a video might expose that video to 200 new people, but the 10th person who posts it might expose it to only 50 new people, because 150 of them already saw it in their News Feed on a previous occasion.

Note that these principles also apply to other types of content. A news article, blog post, or image advertisement follows the same principles. A company hoping to harness the power of virality in social media needs to create content that inspires its users to re-post its content. But simply posting content in the hope that it goes viral is not likely to lead to long-term success. Companies that use social media successfully do everything they can to promote their content while at the same time optimizing this content to maximize the likelihood of additional viral exposures.

# *Chapter 10 - Section 6 - Measuring Success*

To know whether a company's social media efforts are having the desired effects, those effects need to be measured and analyzed. These measures and analyses vary in terms of the sophistication required and usefulness for improving future social media efforts. The various measures are indicators of different aspects of success, so they are categorized as to whether they indicate success in terms of volume, engagement, or conversion. Any company with a social media presence should be tracking these metrics, whether on its own using an Excel spreadsheet or using a sophisticated (and expensive) software package. By tracking these metrics, social media managers can improve their decisions about what types of content to create, how to promote the content, when to post it, and so on.

## **Measures of Volume**

Reaching more customers is better than reaching few customers, so companies want to track the number of customers they have reached through social media. Below are several of the metrics indicating success in reaching a large number of customers.

**Total Number of Likes/Subscribers/Followers.** A company typically wants this number to be as high as possible and will monitor it constantly to see if social media efforts are increasing this number.

**New Likes/Subscribers/Followers.** If a company's followers increase from 9,000 to 9,057, one might assume the increase is the result of 57 new followers. But the company may have also lost several followers, so the company needs to track new followers, not just net new followers.

**Lost Likes/Subscribers/Followers.** Subscribers come and go, so the company should track the total flow of subscribers in and out.

**Impressions/Views.** Not every follower will see every piece of content the company posts. First, not every user will use the social media platform frequently enough to see all the content. Second, many social media platforms only show a subset of potential content to users. Tracking how many

followers saw each piece of content lets the company know the real reach of its social media content.

## Measures of Engagement

Simply having lots of followers does not guarantee social media success. More engaged social media followers are likely to be more engaged customers, so companies want their followers to be active participants with their social media content.

**Re-Posts/Re-Tweets/Re-Pins.** A reliable measure of the quality of any individual piece of social media content is the number of its followers who like the content enough to post it to their own social media profiles.

**Likes/Comments.** Not to be confused with a “Like” of the company’s Facebook page, this measure refers to likes or comments on a particular piece of content on the company’s social media platform. This measure is not available on all social media platforms.

**Click-Through Rate.** If content provides a link, the company should track how many followers clicked it.

**Engagement Rate.** Rather than measure engagement with a particular piece of content, the engagement rate measures the percentage of users who have engaged with any piece of content within a given time period. A company might measure the proportion of its followers who have clicked on, liked, commented on, or watched a video of any posted content within the last month, for example.

## Measures of Conversion

A company’s purpose in creating social media content is not to entertain people, but to gain and retain customers. A social media marketer should track how effectively the company is accomplishing these goals.

**Conversion Rate.** Any content that promotes a particular product should increase the sales of that product directly from the social media platform where that content was posted. Tracking the percentage of users who purchase directly from a piece of social media content is easy.

**Purchase Frequency/Likelihood.** If the goal of a social media campaign is to build brand equity, then followers of that social media account should purchase more frequently or be more likely to purchase than non-followers.

This measure comes with two large caveats, however. First, a higher purchase frequency or likelihood may not reflect a successful social media campaign—it may only reflect the fact that loyal customers are more likely to connect with the company on social media. Second, obtaining the data that make this calculation possible may be difficult. Several software programs enable companies to connect customer purchase data with those customers' social media data, but these connections are often imperfect, meaning this calculation is based on partial data.

# *Chapter 10 - Section 7 - Facebook*

Social media platforms differ so fundamentally in the nature of the content and the format of “social” interactions that each platform requires a different playbook, adapted to the peculiarities of that particular platform. The remainder of this chapter takes a detailed look at Facebook, by far the largest of all the social media platforms. The next chapter examines Twitter, Pinterest, YouTube, and LinkedIn. Though other social media platforms exist, these four comprise the vast majority of commercial social media action.

Facebook allows anyone to set up a page or pages to advertise or promote a business, product, or cause. The more commercial pages that are created and actively promoted on Facebook, the more potential revenue Facebook can earn, so Facebook provides a thorough and straightforward help center to help administrators manage the pages they have created. This can be found at <https://www.facebook.com/help>. Other marketing help from Facebook can be found at <https://www.facebook.com/marketing>.

## **The Company-User Connection**

A company can have multiple Facebook pages, but each page should have a unique purpose. For example, Kraft Foods has a main page that posts recipes and food preparation tips, but it also has a separate page for Kraft Macaroni and Cheese, another for Kraft Peanut Butter, and another for Kraft Original, its cream cheese spread.

Once the company has set up its Facebook page (or pages), it wants users to click the “Like” button for that page. When a user Likes a Facebook page, she has signed up to receive content from that page on her News Feed. Facebook refers to these followers as “fans.” A company is granted access only to aggregate information about its fans, not individual information, so a company cannot access its fans’ personal information.

Facebook pages cannot send friend requests, but the administrator of a page can send requests to Facebook friends to Like her page. This approach is a common and viable strategy for small businesses and causes. For example, if someone were starting a wedding photography business, she might gain her first set of fans by sending requests to all of her personal Facebook friends to

Like her photography business page. This strategy would be less viable, and even inappropriate, for pages belonging to a major corporation.

Note that a page Like differs from a content Like on Facebook. A page Like can be thought of as a subscription—the user is subscribing to the content being created by that company page. A content Like occurs when a user clicks the “Like” button for a particular piece of content. A content Like does not change the user’s status with the company, but the user’s Facebook friends may see a report in their News Feeds about that user Liking that post.

## Content Consumption

The vast majority of content consumption on Facebook occurs in the News Feed. Whenever a Facebook user logs in, he is by default shown his News Feed, which displays a mix of four types of content. It displays activity from friends, including (1) any content posted by friends, such as pictures, links, videos, status updates, and so on. It can also display (2) other actions from friends, such as friends’ Likes and comments on other content. The News Feed also displays (3) content from pages Liked by the user. Finally, the News Feed also contains (4) paid-for advertisements.



Figure 10.7.1

Facebook does not display all content posted by friends or Liked pages. Because most Facebook users have several hundred Facebook friends, displaying every post from every friend would clog the News Feed with uninteresting content. Instead, Facebook uses a complex algorithm for selecting the content that Facebook predicts the user would prefer to see most. Facebook used to refer to this algorithm as EdgeRank, but as the algorithm increased in complexity, Facebook stopped calling it EdgeRank (but did not publish a new name for it). Though the algorithm has increased in complexity since Facebook first revealed some of the details of EdgeRank, it is still instructive to understand the basis of EdgeRank.

EdgeRank was based on three key metrics: (1) affinity score, (2) Edge weight, and (3) time decay. The affinity score measures how much the user Likes the entity (friend or company) posting the content. This measure is based on past interactions with the posting entity. If a user has Liked and/or commented on many of the entity's past content, Facebook assumes the user has a high affinity for that entity, and so content from this entity is more likely to show up in the News Feed. Edge weight gives different values to different types of content. People are (in general) more interested in seeing pictures than reading status updates, so pictures receive a higher Edge weight. Finally, content posted a week ago is less interesting to users than content posted five minutes ago, so more recent content is more likely to show up in a user's News Feed.

Facebook's content-sorting algorithm now includes much more than just these three metrics, the details of which are not publicly known, but the original EdgeRank formula teaches businesses many things about how to optimize their Facebook content. The most important takeaway for businesses is that they need to encourage users to engage with their Facebook content. If a user Likes a company's Facebook page, but never clicks on or Likes any of the content that page posts, Facebook will stop showing the content on that user's News Feed.

A company can do many things to maintain a high level of engagement with its Facebook fans. One (rather annoying) way to encourage fan engagement is to ask for it. "Click 'Like' if you love Valentine's Day!" "Tell us your favorite snow day activity in the comments!" Such requests seem desperate, so are best avoided. Instead, companies should post content that naturally encourages engagement that Facebook can document. People readily watch

short videos on Facebook, and Facebook tracks this activity as a sign that the user finds this content engaging; so high-quality videos are good content. The Edge weight is higher for pictures than posts; so companies should use an image with every post. (This is good general practice for advertising, too. How many text-only ads are in magazines?) Additionally, most posts should include a link for users to find more information related to the post. Facebook also tracks these click-throughs as a sign of user engagement.

What recourse does a company have to reach fans that are no longer seeing the company's content in their News Feed because they have not demonstrated a high enough engagement? It can pay Facebook to make its content reach more of its fans. Similar to the way advertisers can pay Google to circumvent their low organic search ranking by paying to show paid ads instead, advertisers can overcome a naturally low ranking in a user's Facebook feed by paying Facebook to rank their content higher and display it to more users. The key difference is that on Facebook, paid and organic content is mixed together in the News Feed. Many companies complain that Facebook's algorithm has increasingly disfavored content from commercial pages so that these pages have to pay more and more money to show up on their fans' News Feeds.

## Advertising on Facebook

In many ways, advertising on Facebook is similar to advertising anywhere else online. A company creates an ad, enters its bid (CPC or CPM) for the ad, some specifications for its desired targets, and then the ad is entered into an auction with other ads and is served to users whenever its ad wins the auction. (The chapter on Display Advertising explains these details of online display advertising.) But advertising on Facebook is unique for two reasons. First, Facebook allows for a variety of targeting options that are not available in traditional online display ads, because Facebook knows more about its users than most ad networks. Second, many advertisements on Facebook come with a friend's endorsement, because Facebook can display with the ad the name of a friend who has Liked that company on Facebook. This type of endorsement accompanying the ad is not possible with any other types of traditional media, because it leverages the social data that only exist on a social media platform.

Detailed information about the technical specifications and procedures for creating ads of all kinds is available in Facebook's help

(<https://www.facebook.com/help>). Facebook ads can show up either in the News Feed or on the right side of the News Feed, in the ad section. Because the mobile version of Facebook has no ad section, News Feed ads are the only kind of ads that exist on Facebook's mobile app. In general, obtaining News Feed ads is much more expensive because they are much more likely to capture users' attention.

As previously mentioned, advertisers can bid for ad placements on Facebook through CPM (cost per mille, or thousand impressions; that is, the advertiser pays a certain amount every time 1,000 people see the ad) or CPC (cost per click). Facebook provides two other options: oCPM (optimized cost per mille) and CPA (cost per action). When bidding oCPM, Facebook attempts to show a company's ad to the people who are most likely to take the desired action (Like the page, click a link, etc.). The advertiser still pays for every impression, but Facebook uses predictive algorithms to show the ad to users who are more likely to take the action the advertiser specifies as the desired outcome. Under CPA bidding, the advertiser only pays when a user takes a specified action. For example, if a company develops an app and wants to get users to install the app, it could bid CPA and specify that the goal action is an app install. The advertiser would then pay only for users who installed the app, and not for users who saw the ad, or clicked on the ad without installing the app.

Facebook determines which ad to deliver based on both bid amount and the ad's past click-through rate (CTR). Ads with a higher past CTR are more likely to be shown, because (1) they earn Facebook more money and (2) users like them more (why else would users click on them more?). Facebook translates CPC and CPA bids into eCPM, or effective cost per mille, so that all ads are competing on an equal plane. This metric, eCPM, is calculated from both the bid amount and the past CTR. Facebook reports the calculation to be  $\text{CPC bid} \times \text{click-through rate} = \text{eCPM}$ , but this is obviously a simplification of the real calculation.

Any ad a company creates on Facebook starts by specifying one of eight possible goals it wants its ad to accomplish. Facebook requires this goal from advertisers so they can bid oCPM (Facebook needs a goal to optimize so the advertiser can bid on an *optimized* CPM basis). A company should choose the appropriate goal based on its business objectives.

**Clicks to Website.** Facebook may be a good source for driving traffic to a website. Choosing the clicks to website goal is similar to doing banner ads on a display network. The biggest difference is that Facebook allows for more specific targeting of potential customers with particular interests and demographics.

**Website Conversions.** To enable this goal, a company needs to enable Facebook to track conversions on its website, just as it must track conversions on Google's ad network to bid CPA (cost per action; in this case, the action is a conversion). Both the *website conversions* goal and the *clicks to website* goal are appropriate for a well-functioning retail, lead-generation, or media website.

**Page Post Engagement.** Increasing users' engagement with a brand, that is, getting users to Like and comment on posts (or watch a posted video), has the dual benefit of increasing brand loyalty and increasing the likelihood that the brand's posts will show up in users' News Feeds in the future. This goal is most appropriate for a brand that already has a large group of fans but needs to increase those fans' engagement on Facebook.

**Page Likes.** The most direct way to increase a brand's list of Facebook fans is to advertise for page Likes on Facebook. Note that with this goal, a company is not driving traffic to its website, so it needs to determine whether page Likes are actually profitable. They are likely to be profitable if one or more of the following conditions hold: (1) CTR is higher on ads for page Likes than for ads to drive traffic to its website; (2) ads for page Likes enable the company to reach a new audience that would not otherwise visit its website or convert; and (3) Facebook fans often make repeat purchases because of product offers they see in their News Feeds.

**App Installs.** The mobile app market is extremely crowded and competitive. A new app will have difficulty gaining traction over the thousands of other available apps. Advertising on Facebook mobile may be a great way for a new app to break free from the crowd.

**App Engagement.** If an app has a decent install base but low engagement, advertising to its users to increase engagement might be wise, particularly for any app that earns revenue through usage. Examples include media apps that earn money from advertising, hotel- or flight-booking apps that earn commissions on sales, or game apps whose users can pay for upgrades or to

unlock new levels. The *app engagement* option allows an app developer to advertise only to users who have already installed the app.

**Event Responses.** A company throwing a special event such as a grand opening or a one-day clearance sale can promote this event both to its Facebook fans and to other potential customers using this goal.

**Offer Claims.** A local business such as a restaurant, auto mechanic, or accounting service can offer discounts and incentives to potential customers on Facebook. When users click the offer on Facebook, they receive an email that they can bring in to the business. The business can promote these offers on Facebook by selecting this goal.

# **Chapter 11 -**

## **Social Media 2**

Introduction

- 1 - Twitter
- 2 - Pinterest
- 3 - YouTube
- 4 - LinkedIn

## Chapter 11 - Introduction

### Chapter 11 Learning Objectives

After reading this chapter, students should be able to:

- Describe best practices for performing social media marketing on Twitter, Pinterest, YouTube, and LinkedIn.

The previous chapter looked at social media strategy generally and Facebook specifically. Because of Facebook's large user base, almost any company with a social media presence at all will likely want to be active on it. But other social media platforms have their own distinct advantages for business use. In this chapter, we examine four other social media platforms: Twitter, Pinterest, YouTube, and LinkedIn. We discuss what makes each platform unique, and provide some best practices for businesses to utilize each platform to connect with customers.

Of course, many other social media platforms exist than the five we cover in this textbook. We chose these five because of their size and the profitability of corporate social media activity on them. That is not to say that social media activity on Instagram, FourSquare, Slideshare, Tumblr, Snapchat, or other platforms cannot be profitable. Rather, we believe that a deeper understanding of these five selected platforms can enable a company to undertake its own learning about any other social media platform and figure out how to best use that platform's advantages to create a profitable social media strategy.

# *Chapter 11 - Section 1 - Twitter*

In terms of both size and engagement, Facebook trounces Twitter, and yet Twitter's influence on culture and conversation nearly matches that of Facebook. One explanation is that almost all Twitter content is public and searchable, so news outlets often search Twitter for insight and commentary on a story. Another explanation is that many users treat Twitter like a public text-messaging system, posting more frequently than on other social media platforms. As a result, at any given time, Twitter has more information that has been posted recently than the other platforms.

## Broadcasting and Socializing

Twitter is less like a platform for connecting with close friends and more like a public message board, where users only see the status updates (called “tweets”) of people they subscribe to (or “follow”), which could include friends, celebrities, news accounts, sports writers, and so on.

Tweets are limited to 140 characters. This limit forces users to be succinct with their updates, which generally leads to many more updates per average user than on Facebook. Twitter does not have an algorithm like Facebook for determining which tweets show up in a user’s feed. The combined tweets of everyone a user follows are displayed in chronological order, creating a constant stream of content that may seem intimidating in its raw form. Because many Twitter users follow hundreds or even thousands of other users, the most avid Twitter users utilize a Twitter management platform like Tweetdeck or HootSuite on their computer or phone, which allows them to group Twitter accounts into related feeds. For example, a user might set up a separate feed for personal friends, another for celebrities, and another for corporate Twitter accounts to follow.

Each Twitter account is identified by a Twitter handle, which begins with the “@” symbol. To communicate directly with (or “mention”) another Twitter user, one only needs to include that other user’s handle at the beginning of a tweet for a 1-to-1 message or somewhere within the tweet for a public message that person and everyone else will be able to see.

For example, if @robstephens sent  
“@johnsmith I can’t believe you went out with Cindy Jones,”

this message would be sent (1) directly to John Smith, whether he was a follower of @robstephens or not, and (2) to anyone following both @robstephens and @johnsmith, but not to all of @robstephens's followers. Note that even though this message would only go to a select few Twitter users, it would still not be a private message, because anyone who visited @robstephens's profile would be able to see this tweet. (Twitter also has a function called "Direct Messages" that facilitates completely private messages between mutually following users).

On the other hand, if @robstephens sent

"I can't believe @johnsmith went out with Cindy Jones,"

this message would go to (1) all of @robstephens' followers and (2) to @johnsmith, even if he didn't follow @robstephens.

Twitter allows for no distinction between a personal profile and a corporate profile. The mechanics of broadcasting, following, and messaging work the same for @johnsmith and @Starbucks.

Twitter famously devised the use of hashtags (any word or phrase beginning with the "#" sign) to make certain groups of tweets more easily searchable. This functionality is useful to enable group conversations. For example, students on a study abroad might agree to use the same hashtag (#UofDFrenchStudyAbroad) so that all in the group can easily search, see, and follow one another's tweets as a group. Or an event might suggest a hashtag (e.g., #sxsw for the South by Southwest conference) so that attendees can learn what other attendees are doing. Of course, because conversations are all public on Twitter, these conversations can easily be spammed (and/or hijacked) by anyone wishing to join, as McDonalds learned quickly when it encouraged its followers to tweet about their favorite McDonalds experiences using #McDStories. The series of tweets about McDonalds stories quickly went from positive to comically negative, as Twitter users from all over began tweeting stories about various negative consequences of eating McDonalds' food.

## Creating Content for Twitter

The 140-character limit on tweets can make certain types of content difficult or impossible to share on Twitter. As a result, companies and individuals frequently include a shortened link to expanded content on another website (often their own). For example, a company wishing to distribute a discount to

its Twitter followers will display a link to the coupon with further details on how to redeem the coupon. A company publicizing some kind of contest or drawing on Twitter will include a link with the content details. A company distributing a recipe will not be able to fit the recipe in a single tweet, and so will instead provide a link to the recipe. Such tweets are not themselves meant to be consumed as content, but instead function as gateways to the real content found on another website.

However, not *all* tweets must contain a link. Pictures can be tweeted along with a caption (though the 140-character limit still applies). In addition, sometimes 140 characters are all a company needs to provide its customers with a reminder to buy its products, or to provide some advice to customers. Consider the following tweets from @Starbucks.

The figure displays three tweets from the official Starbucks account (@Starbucks) on a social media platform interface. Each tweet includes the Starbucks logo, the account name, the date, the tweet text, an 'Expand' link, and standard Twitter interaction buttons (Reply, Retweet, Favorite, More).

- Starbucks Coffee @Starbucks · Mar 4**  
Vah. Nil. Ah. Mah. Kee. Yah. Toe. Puh. Lease.  
[Expand](#) [Reply](#) [Retweet](#) [Favorite](#) [More](#)
- Starbucks Coffee @Starbucks · Mar 1**  
Don't like your drink too hot? Ask for the milk to be steamed at 135 degrees—it's the temp we serve hot chocolate for kids. #JustRight  
[Expand](#) [Reply](#) [Retweet](#) [Favorite](#) [More](#)
- Starbucks Coffee @Starbucks · Feb 28**  
Grande vanilla latte with 2 pumps hazelnut and 2 pumps vanilla. #protip  
#frenchvanilla  
[Expand](#) [Reply](#) [Retweet](#) [Favorite](#) [More](#)

Figure 11.1.1

When crafting its social media content, a company should first ensure the content provides value to its followers. But a secondary consideration should be to achieve additional exposures via re-sharing by the company's followers (and any non-followers who are subsequently exposed to the content). This secondary consideration is more important on Twitter than other social media platforms, because resharing (called “retweeting”) is prevalent, meaning a compelling or interesting tweet can achieve a massive amount of additional exposures for the company. Retweeting is so prevalent on Twitter for two reasons. First, Twitter makes it easy, by providing a Retweet button on all tweets. Second, because everyone on Twitter is a broadcaster, most users are constantly looking for interesting content to share with their followers. This

goes for business accounts as well as personal Twitter accounts. A very inexpensive and beneficial way for a business to generate content is to retweet content related to its own industry.

Although those two aspects of Twitter explain why retweeting is so prevalent, another property of Twitter multiplies the effect of retweeting—some accounts have a huge number of followers. On Facebook, it is difficult for any personal account to achieve a high level of influence, because even if a person has thousands of friends, her posts are not likely to show up on many News Feeds due to Facebook's formula for ordering content by importance. On Twitter, however, many people have thousands or hundreds of thousands of followers (a few even have several million followers), so even a small number of retweets by a few key accounts can lead to an enormous boost in exposure.

Here is an example retweet by @Starbucks:

Retweeted by Starbucks Coffee  
Square @Square - Feb 20  
Help save lives with a swipe. Get your SQUA(RED) Reader: [mkt.com/red](http://mkt.com/red)  
#SQUARED #endofAIDS [pic.twitter.com/dgD0KUPVes](https://pic.twitter.com/dgD0KUPVes)

Expand

Reply Retweet Favorite More

Figure 11.1.2

Notice that the tweet does not show up as coming from @Starbucks but from the original source, @Square. Not only does achieving a retweet give a company added exposure, but it also advertises the Twitter account, likely leading to additional followers. A Twitter account with compelling content

can sometimes naturally grow to a huge number of followers in a short amount of time through the exposure gained from retweets.

Because content on Twitter is so succinct, companies can afford to tweet more often than they might post on other social media platforms. Whereas a company might only post once a day on Facebook, it may tweet or retweet as many as 20 times a day, all without making its followers feel bombarded (because followers may only tune in to Twitter sporadically throughout the day). Of course, a company still has to make sure all of its content provides value.

## Advertising on Twitter

Twitter provides corporations with three forms of paid advertising—promoted accounts, promoted tweets, and promoted trends. Many of the details of these various forms of advertising can be found at <https://business.twitter.com>. All three forms of paid ads appear in Figure 11.1.3 from a Twitter account of a rather inactive user.

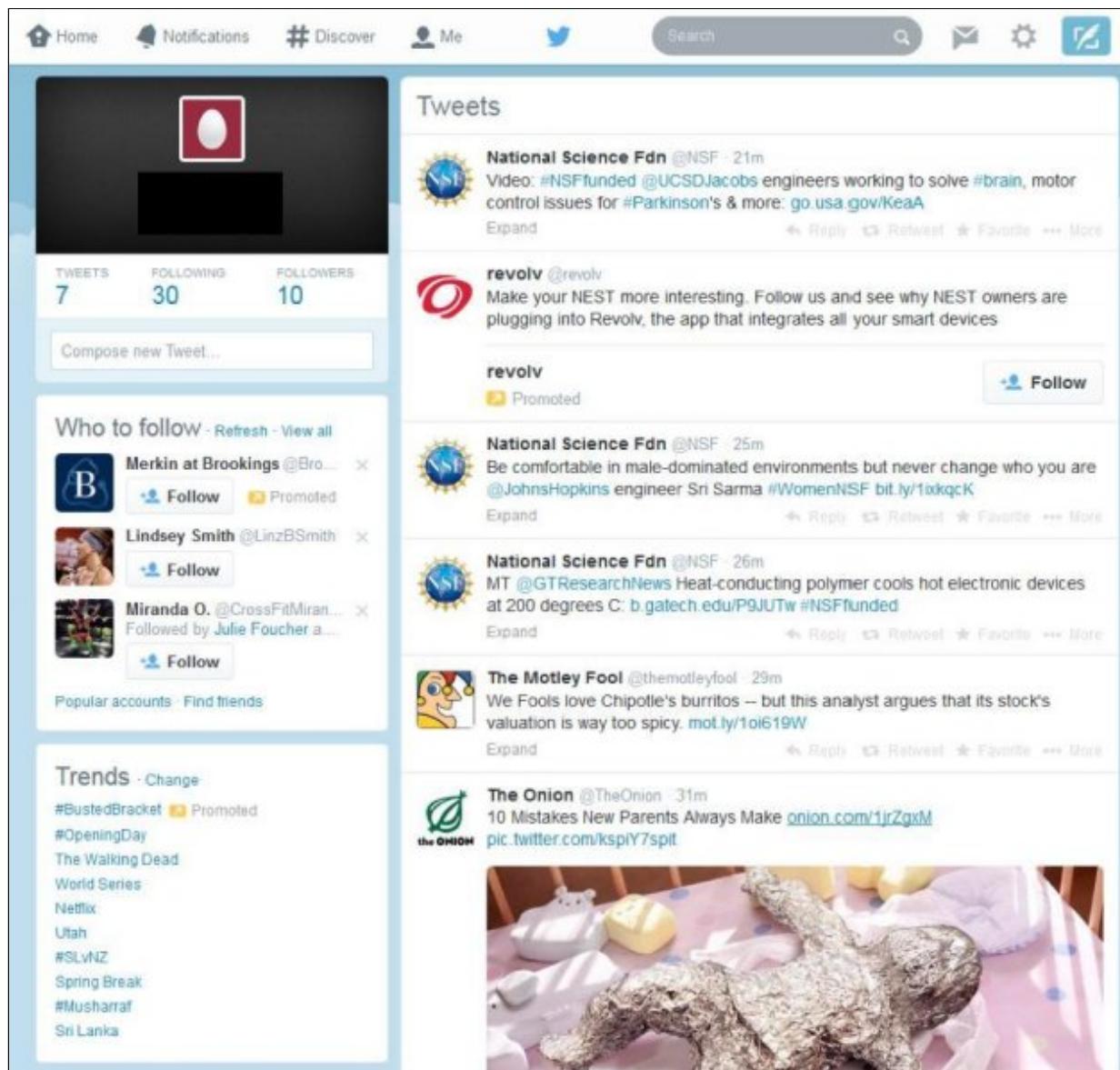


Figure 11.1.3

On the Twitter home screen, users see a small section called “Who to Follow,” which displays three accounts it recommends to the user based on his current set of followed accounts. An advertiser who pays to promote her account will have her account show up in the Who to Follow section. Figure 11.1.3 above shows that Merkin at Brookings (@BrookingsMed) paid to advertise its corporate Twitter account to this user. Similar to the typical pay-per-click payment method, payment for this type of advertising is on a pay-per-follower basis—an advertiser only pays when a user newly follows her account. Also similar to PPC advertising, advertisers bid on this space, so higher bids lead to greater exposure. Advertisers can target users by

geography, gender, interests, device, or similarity to current followers. Using promoted accounts advertising is especially effective for a new Twitter account trying to build its follower base.

Promoted tweets enable a company to reach both new and existing followers with chosen tweets. In Figure 11.1.3 above, revolv (@revolv) paid to display its tweet to this user. In this case, this user does not currently follow @revolv, so revolv is attempting to gain a new follower. But companies can also pay to promote tweets to its current followers. The question might arise concerning why a company would pay to show a tweet to an existing follower. After all, any followers should already be seeing the company's tweets—why pay extra to show them a tweet they've already seen? Paying to promote a tweet makes that tweet stay near the top of users' feeds. Because feeds are organized chronologically, many of a company's followers may miss its tweet.

Promoting the tweet ensures that more followers see it. The company can also target new followers for promoted tweets based on gender, geography, interests, device, or similarity to current followers. One other targeting method unique to promoted tweets is to target users based on keywords in their recent tweets. For example, Expedia could promote a tweet about hotel deals to users who had recently used the words “vacation” or “trip” in recent tweets. Advertisers pay only when their promoted tweet results in some action—retweets, clicking to “Favorite” the tweet, or following the account.

Promoting a tweet is a recommended action for any tweet that has a high retweet rate or that leads to high-quality web traffic.

Below the “Who to follow” section on the Twitter page is another small section called “Trends,” which displays keywords that are currently popular on Twitter. Promoted Trends advertising enables a company to place its own topic on the top of this list. The screenshot shown above in Figure 11.1.3 was taken the day after the 2014 Final Four of the men’s basketball NCAA tournament was finalized. At that time, #BustedBracket was a widely used hashtag, due to a 7-seed and an 8-seed making the Final Four. This user, upon clicking this promoted trend, saw this (Figure 11.1.4):

The screenshot shows a Twitter search interface. The search term "#BustedBracket" is entered in the search bar. The results page displays one tweet from the account @EatLiquidGold. The tweet is a promotional message for Velveeta cheese, featuring a photo of a basketball player performing a dunk. The text "your face could be here" is overlaid on the image. The tweet is marked as "Promoted by VELVEETA". The left sidebar contains navigation links for "Home", "Notifications", "Discover", "Me", and a search bar. It also includes sections for "Who to follow", "Trends", and "Popular accounts".

Figure 11.1.4

Velveeta paid to show up at the top of the list of tweets using #BustedBracket. Using Promoted Trends advertising is a good option for a company that has a promotion that can fit a currently popular topic. In this case, #BustedBracket was being widely used, and Velveeta created a promotion to match this conversation.

# *Chapter 11 - Section 2 - Pinterest*

Twitter's 140-character limit accelerates content consumption because every piece of content takes at most a few seconds to read. On Pinterest, content consumption is accelerated even more because most content is visual rather than verbal. People can process pictures much more quickly than they can process words, so Pinterest users can browse large amounts of content quickly. This speed of use has made Pinterest the preferred social media channel for millions of users. Investors in Pinterest are betting this enthusiasm from its users will someday translate into large profits. Despite lifetime revenues of \$0, investors valued Pinterest at \$3.8 billion in October 2013.

## **Visual Consumption**

When Facebook users visit Facebook, they see their friends' recent posts. When Pinterest users visit Pinterest, they see their friends' recent "pins" (Figure 11.2.1 below). Rather than organize pins into a single column (as Facebook organizes its News Feed), Pinterest organizes pins into multiple columns, enabling users to more quickly peruse the pins. A pin is basically an image with a short caption, but the image-based nature of Pinterest does not limit the kinds of content Pinterest users can pin. A pin might contain a recipe, a vacation destination, a do-it-yourself home project, a workout plan, a quotation, or anything else.

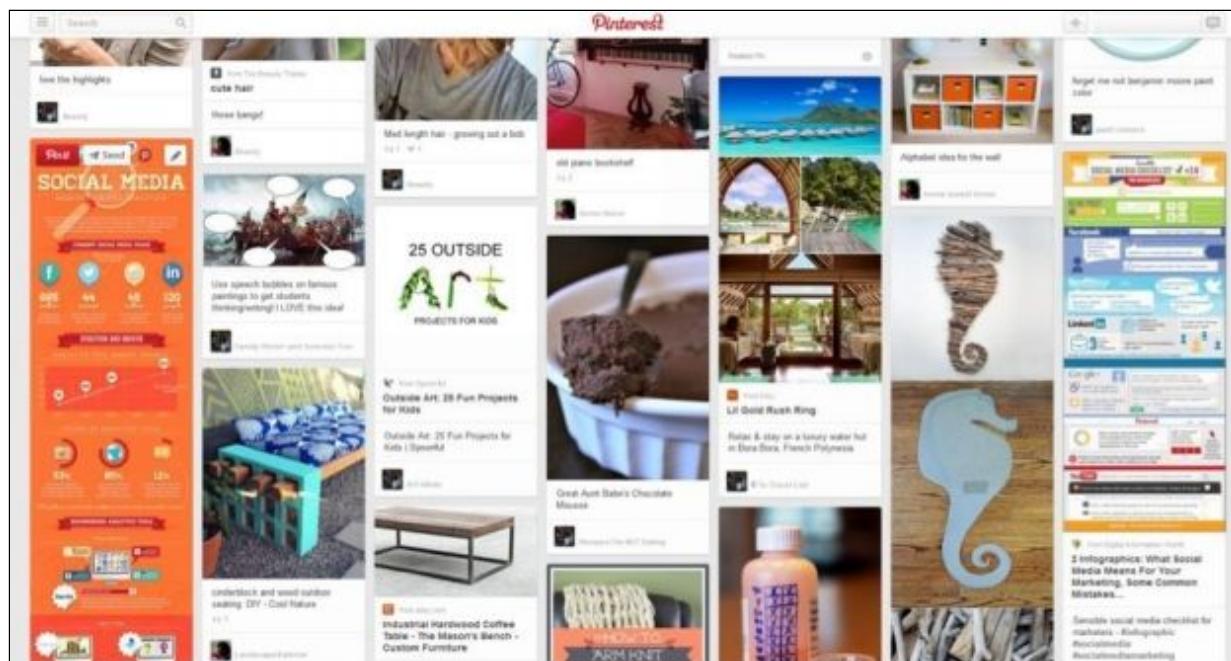


Figure 11.2.1

When Pinterest users see a pin that interests them, they can pin it to one of their own digital pin boards for later reference. For example, if a Pinterest user sees a recipe for strawberry shortcake tiramisu that she wants to try, she can pin the recipe to a board she has called “Recipes to Try.” Pinterest users can also create new pins from content found anywhere on the internet. If this same user sees a picture of an exotic location she would like to visit, she can create a pin for her “Travel” board. Alternatively, the web developer at this site might display a “Pin It” button next to the picture, so with one click, Pinterest users can pin that image to any of their Pinterest boards (Figure 11.2.2).

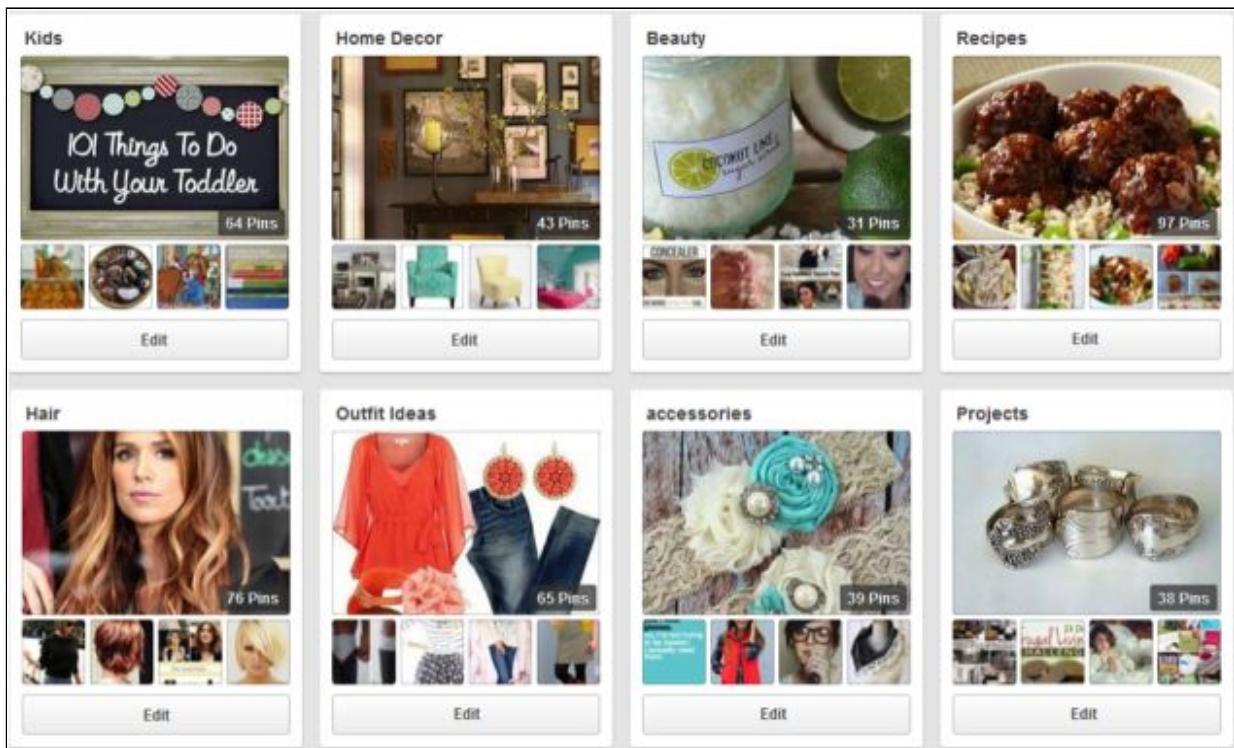


Figure 11.2.2

Clicking the Recipes board, the user can see all the pins in this board (Figure 11.2.3).

# Recipes

[Unfollow Board](#)[Send Board](#)

97 Pins

136 Followers



Hamburger Stroganoff

from Julie's Eats & Treats

## Hamburger Stroganoff

Hamburger Stroganoff ~ An easy weeknight supper that will impress the whole family and have Mom smiling! via [www.julieseatsand...](http://www.julieseatsandtreats.com)

2 2

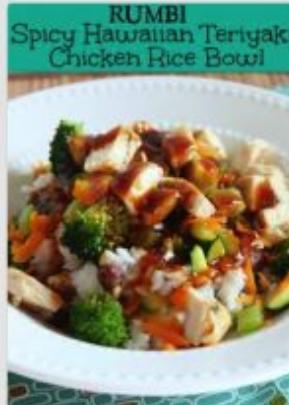
Pinned from [julieseatsandtreats.com](http://julieseatsandtreats.com)



from [howsweeteats.com](http://howsweeteats.com)  
Pulled Pork Tacos with Sweet Chilli Slaw

2 1

Pinned from [howsweeteats.com](http://howsweeteats.com)



RUMBI  
Spicy Hawaiian Teriyaki Chicken Rice Bowl  
from [Dessert Now, Dinner Later!](http://dessertnowdinnerlater.blogspot.com)

2 2 1 1

Pinned from [dessertnowdinnerlater.blogspot.com](http://dessertnowdinnerlater.blogspot.com)



Figure 11.2.3

Clicking a pin gives supplemental information included with the pin, such as the source of the pin (in this case, [howsweeteats.com](http://howsweeteats.com)) or ingredients in the recipe (illustrated in Figure 11.2.4). All pins include the URL of the source of the pin. The inclusion of the source URL is an important aspect of Pinterest pins, because the source of a popular pin (or pins) can often gain a large amount of traffic to its website. Traffic from Pinterest is likely to be highly engaged and often purchase-minded, and several e-commerce sites have greatly increased their profits through creative use of Pinterest.



Found on [howsweeteats.com](http://howsweeteats.com)

### Pulled Pork Tacos with Sweet Chili Slaw

Serves 4-6

© [howsweeteats.com](http://howsweeteats.com)

Meat		Baking & Spices	
4 lbs	Pork roast	1 tsp	Paprika, smoked
Produce			
1	Avocado	1 tsp	Pepper
3 tbsp	Cilantro, fresh		
1/2 tsp	Garlic powder	2 tbsp	Olive oil
2 cups	Green cabbage		
2	Lime	Oils & Vinegars	
1 tsp	Onion powder	1 bunch	(4-inch) tortillas
Condiments		Bread & Baked Goods	
3 tbsp	Chili sauce, sweet	1	Cilantro avocado cream
		1	Cotija cheese
		3 tbsp	Sour cream or greek yogurt
Dairy			

Figure 11.2.4

Because pins are visual, and because the majority of Pinterest users are women, many people characterize Pinterest as digital scrapbooking. Pinterest would take issue with this characterization. The reason Pinterest is overwhelmingly female is that Pinterest first became popular within the arts and crafts community. This origin meant the majority of pins were of interest to females. However, Pinterest content of interest to men is increasing, as is the share of male Pinterest users, so this discrepancy in the genders should eventually disappear.

Like Twitter, Pinterest is an open platform, meaning any Pinterest user can see other users' pins. Pinterest also provides a "follow" option, so recent pins from these "followed" profiles will show up on the user's home feed. Pinterest recently provided private boards, so users can pin content for their own private use.

## Pinterest for Businesses

Because it is a purely visual medium, Pinterest is a much more natural fit for companies with content that has an inherent visual appeal. Clothing companies, automobile manufacturers, food companies, and luxury hotels should find it very easy to create Pinterest content that would interest users. But with some creativity, companies without such a natural fit might also be able to create beneficial content for Pinterest. Consider the SOCIAL MEDIA infographic from Figure 11.2.1. A social media consulting firm created it, and though the firm's line of work is not naturally Pinterest-worthy, the firm created a visual depiction of social media recommendations for businesses that might interest many Pinterest users.

A company can use two routes to spread Pinterest content. First, it can create a Pinterest profile and organize boards with pertinent pins. If users find its content valuable, they will follow the company's Pinterest profile and pin some of its content, which could lead to further pins and web traffic. Kraft Recipes is a great example of this route to Pinterest success. Kraft Foods manages this Pinterest profile, which has 60 boards containing various Kraft Foods recipes for different occasions (Easter Recipes, Breakfast & Brunch Recipes, Grilling Recipes, etc.). Kraft Recipes currently has over 150,000 followers. These followers are likely to re-pin any new recipes added by Kraft, which could lead to further re-pins and followers by these users' friends.

A second route for spreading Pinterest content is to provide a Pin it button on the company website next to visually appealing content. Every page on <http://www.kraftrecipes.com> has a Pin it button next to the picture of the recipe. Though the home page of the website may give equal prominence to Facebook, Pinterest, YouTube, and Tumblr social media buttons, the individual recipe pages prominently display the Pin it button.

In September 2013, Pinterest announced it would begin experimenting with promoted pins. Presumably, this option would allow companies to pay to have their pins featured in prominent locations on users' feeds. Because Pinterest does not want to damage the user experience, it has committed to doing all it can to make promoted pins tasteful and relevant. The future will tell whether Pinterest can successfully integrate promotional and unpaid content.

## *Chapter 11 - Section 3 - YouTube*

Perhaps the least social of the social media platforms is YouTube. In the early days of YouTube, many users posted video replies to one another's videos, creating public social interactions via video. But these awkward and inefficient video "conversations" quickly lost prominence on YouTube. Instead, YouTube is mostly a video content hub, where users go to consume video content from a wide variety of sources. YouTube's egalitarian ethos—"Anyone with a video camera is a filmmaker!"—has led to some surprising successes. Several would-be filmmakers who would have never had a chance at success in the traditional film or TV business have risen to prominence on YouTube. But as ad revenues on YouTube have increased, traditional video powerhouses (from film and TV) have begun providing content for YouTube consumption, and videos with low production values now have a lower likelihood of becoming popular.

### **Advertising on YouTube**

When YouTube started in 2005, the general expectation among internet users was that all content should be free. As a result, users' tolerance for advertising online was very low. But these expectations have relaxed over time, and internet users are now accustomed to seeing advertisements when they watch online videos. YouTube's ad revenue has thus increased enormously over the years. YouTube has also been a pioneer in developing new types of video advertisements that have helped increase its ad revenues.

Because videos on YouTube are not owned by YouTube but by the video creator, the creator gets to control the advertising around his videos. YouTube and the video owner share any revenue generated by the ads shown in conjunction with a user's videos. YouTube provides four different types of ads: (1) display ads, (2) overlay in-video ads, (3) TrueView in-stream ads, and (4) non-skippable in-stream ads. Google, which owns YouTube, provides this information at <https://support.google.com/youtube/answer/2467968>. This page is reproduced below in Figure 11.3.1.

# YouTube advertising formats

There are several types of ads that may appear next to your videos when you've enabled video monetization.

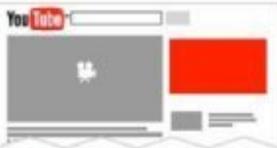
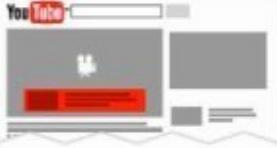
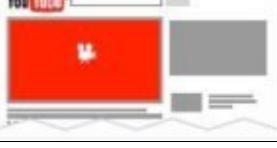
	<p><b>Display ads</b> (banners) run across all areas of the site except the Homepage. They are available as a 300x250 ad that appears to the right of the feature video and above the video suggestions list. <a href="#">Learn more</a>.</p>
	<p><b>Overlay in-video ads</b> are transparent overlay ads that appear on the lower portion of your video. <a href="#">Learn more</a>.</p>
	<p><b>TrueView in-stream ads</b> are skippable video ads that are inserted before, during or after the main video. <a href="#">Learn more</a>.</p>
	<p><b>Non-skippable in-stream ads</b> are video ads that can be inserted before, during, or after the main video and must be watched before the video selected can be viewed. <a href="#">Learn more</a>.</p>

Figure 11.3.1

Consistent with advertising practice elsewhere online, Google attempts to optimize ad content so that it is relevant to the content of the videos it is shown with. It is more difficult to make this match on YouTube than elsewhere, because automated crawlers cannot “watch” videos to determine the content of the videos like they can to determine the content of a webpage. Instead, Google must trust the owner of the video to enter appropriate categories to describe the video.

## YouTube for Business

Businesses of many kinds use YouTube to further their business goals. We first describe various business uses for YouTube; then we provide two examples of companies using YouTube in a creative way to accomplish their aims.

The most straightforward business use of YouTube is to create entertaining videos and make money from the advertising displayed with the videos. Popular YouTube videos often receive millions of views, and at an estimated CPM (cost-per-mille, or cost per thousand impressions) of between \$0.30 and \$2.50, a video that receives 1 million views will earn between \$300 and

\$2,500 in ad revenue. Of course, a single popular video, even if it earns 10 million views, will not bring in enough money to make someone wealthy. Those who earn a living making videos for YouTube typically post videos regularly (once a week or even daily) to their YouTube channel. Their efforts then go toward getting YouTube users to subscribe to their channel rather than to simply watch one of their videos. If enough YouTube users subscribe to their channel, those subscribers are likely to watch many of their new videos. Regular viewership of regularly created new videos can lead to enough revenue to support a living. For example, the Super Mario Brothers Parkour [In Real Life] video, shown below, has earned almost 12 million views, even with the highest revenue-generating ad format, the non-skippable in-stream ad, running before it. Instead of living on the proceeds of this video, the creators of this video continue to produce additional videos for the 115,000 subscribers to their YouTube channel.

Of course, if some people are making money by providing content for advertisers, others have to be paying to advertise. Paying to advertise on YouTube videos is another straightforward business use of YouTube.

Advertising on YouTube can be seen as being nearly equivalent to advertising on TV. However, some significant differences exist. First, advertisers can pay for four different types of ads on YouTube, not just non-skippable 30-second spots. Second, advertisers on YouTube can more narrowly define their advertising targets. Third, YouTube advertising does not require enormous budgets like TV advertising, because YouTube advertisers can pay for as much or as little advertising as they wish. Fourth, unlike TV ads, YouTube ads can lead directly to conversions, because most YouTube videos are consumed on a computer or mobile device. The ability for advertisers to directly measure the success of YouTube ads makes it a very enticing channel.

Many content providers do their best to make sure their content does not end up on YouTube. For example, pirated copies of the latest movie will not be found on YouTube, and if someone does manage to post a pirated copy, YouTube will take it down as soon as it learns about it. But many content providers realize that posting some of their content to YouTube can serve as an advertisement for the full content in its intended viewing format. For example, The Tonight Show with Jimmy Fallon has its own YouTube channel (seen below in Figure 11.3.2) where it posts some of its more popular clips in the hopes that those who watch these clips online will become regular watchers of the show.

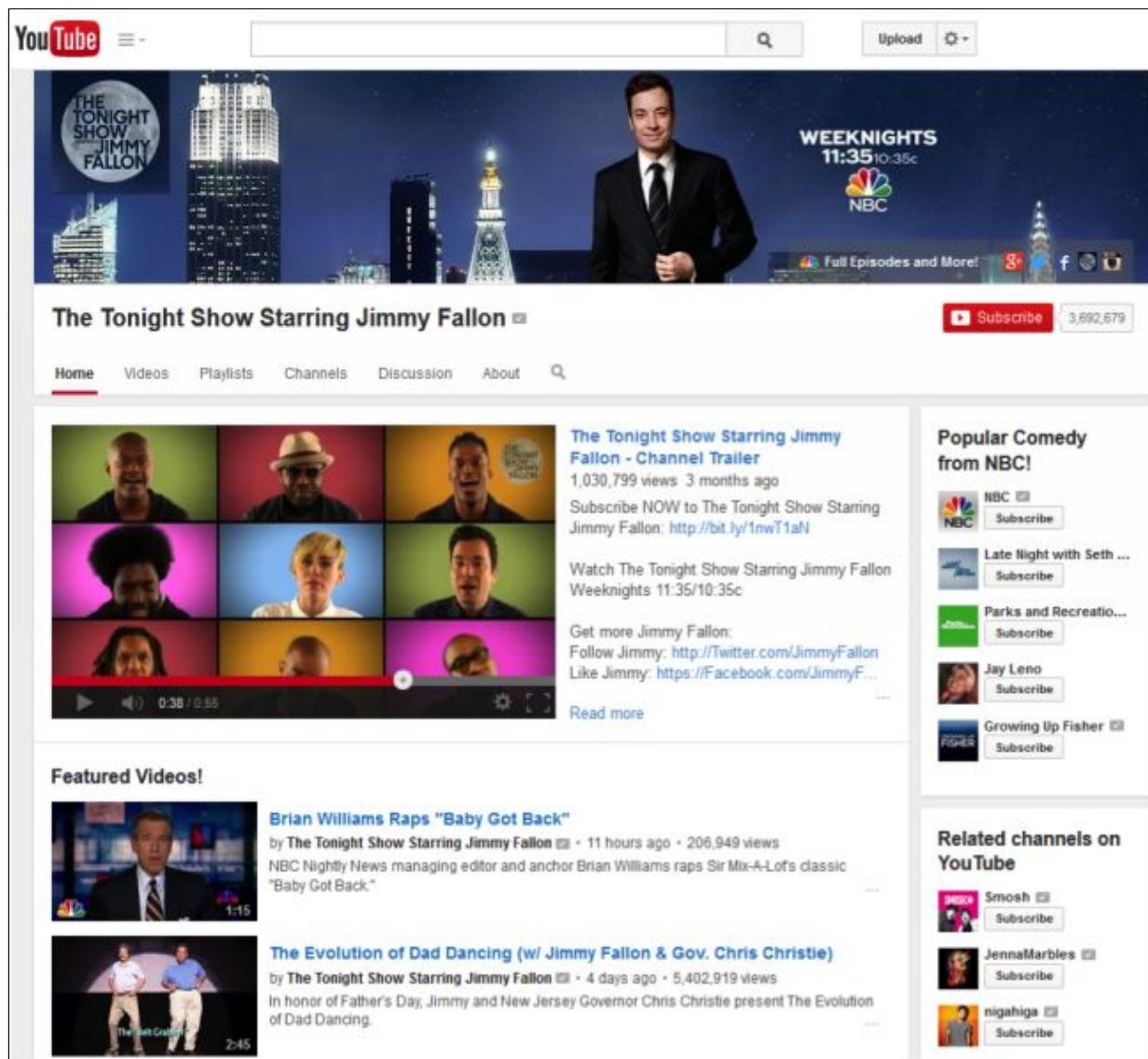


Figure 11.3.2

Possibly the best business use of YouTube (from an ROI standpoint) is to create videos that simultaneously entertain and advertise. If the videos advertise well, they will build brand equity and/or lead to increased purchases. And if they entertain, they might attract their own audience rather than require the company to pay to have the videos shown elsewhere. (See the “Encouraging Virality” section of the previous chapter.) Many companies attempt to use YouTube in this way, but very few can claim huge success with it.

## Orabrush

The Orabrush is a tongue cleaner invented in 2008 by Dr. Bob Wagstaff. Though Dr. Wagstaff knew he had a good product, he could not secure wide retail distribution, and in the few stores where he was able to secure shelf space, sales were disappointing. At the same time, he tried to sell the Orabrush online and through infomercials, but sales were also lackluster through these channels. After two years losing money with his sales efforts, the marketing lead at Orabrush, Jeff Harmon, came up with the idea to create a video about bad breath. In the video, a spokesperson rants about bad breath, describes a reliable way to test for bad breath, then gives reasons why the Orabrush is the most reliable way to eliminate bad breath. The video can be found [here](#), or you can view it below.

The video's effect on Orabrush sales was dramatic. The conversion rate of traffic coming from the video was several times higher than the conversion rate of traffic that came from AdWords. The reason for this higher conversion rate should be obvious—YouTube traffic had just watched a video explaining why the Orabrush could reliably eliminate bad breath. Traffic that came from AdWords had no compelling reason to believe that the Orabrush would effectively curb bad breath. In addition, the video had some virality, generating additional views for which Orabrush did not have to pay.

Orabrush had hit the gold standard in business use of YouTube—it had created a video that simultaneously advertised (it increased watchers' propensity to buy an Orabrush) and entertained (which resulted in free views). But the success of this campaign was not due entirely to the content of the video. To increase its success, the marketing team at Orabrush continued to act after it posted the video. Instead of just posting the video and hoping it would go viral, the team bought paid advertising on YouTube to build momentum in the number of people viewing the video. It continued to optimize the website landing page to increase conversion rates of any YouTube traffic that made it to the site. It also optimized the end-of-video messaging to increase the percentage of viewers who clicked over to the website. It engaged the social aspect of YouTube by purchasing endorsements from popular YouTube celebrities. All these actions turned a losing product into a huge winner. The company's YouTube success ultimately propelled Orabrush into getting distribution deals in retail giants like Walmart.

**IBM**

IBM's YouTube activities illustrate a business use of YouTube in a very different way. Their YouTube channel is at <https://www.youtube.com/user/IBM>. IBM no longer sells computers, so its social media activities are not an attempt to sell products. IBM is a leader in IT consulting, so its social media activities are geared toward cementing its brand positioning as a leader in information technology with business professionals who might some day contract with IBM. As a result, the videos on IBM's YouTube channel advertise a wide variety of IBM's core competencies. For example, IBM has videos promoting its cloud computing systems, its successful use of big data to improve business decisions, and its cutting-edge research.

All of these videos provide advertising for IBM, but many of these videos have barely 1,000 views. This number is abysmally small and can be taken as a sign of failure, but such a sweeping judgment would be inappropriate. A more thorough exploration of IBM's YouTube channel shows signs of great success. First, whereas some videos have few views, others have several million views (A Boy And His Atom: The World's Smallest Movie—<https://www.youtube.com/watch?v=oSCX78-8-q0>).

It should not be surprising that some social media content catches on while other content does not. Importantly, a commercial social media marketer must recognize that not every piece of content can be a grand slam. It is more important to create content regularly and not be paralyzed by the fear that every piece of content won't be successful. Second, some of the videos with very few views are also the newest videos and might take some time to catch on, so the time frame of content must be kept in mind. Third, IBM is less concerned with sheer quantity of views than it is with the quality of views. If one major decision maker watches a video and then signs a multi-million-dollar contract with IBM, that one view is worth more than 1 million views from people without decision-making authority for their company.

# *Chapter 11 - Section 4 - LinkedIn*

Many people successfully find jobs through their professional networks, and major business deals also occur via networking. Being the largest social media platform oriented toward professional networking, LinkedIn is vitally important to many working professionals, which also makes it a great target for many businesses. First, any company wishing to target professionals can advertise to a precise target. Second, LinkedIn can also be a great source for attracting top talent for job openings.

## Professional Consumption

Like the other early social networks, when it first started, LinkedIn did not have any kind of “News Feed” or other centralized list of recent activity from the member’s connections. In the early days of social networking, users spent their time building their networks and learning about their connections by viewing their profiles one by one. Facebook introduced the News Feed in late 2006, and other social networks followed suit, providing a centralized list of recent activity from social connections. Because the News Feed (called “Updates” on LinkedIn) is the main source of content that people consume on a social network, the social platforms must ensure this content is attractive to users. Because LinkedIn is meant for professional development rather than time-wasting, users are less likely to post interesting content on LinkedIn than other social platforms. As a result, LinkedIn has had to be more proactive in creating good content for the Updates section.

The Updates section on LinkedIn contains the following content:

- New connections from one’s network (“Jake Jones connected to Sara Lang.”)
- Job activity from connections (when a connection changes jobs, LinkedIn posts this news to the Updates section of that person’s connections)
- Posts from connections (articles, links, or a simple update)
- Likes or comments from connections (on articles or companies)
- Other activity from connections (e.g., when a connection joins a group)

- Posts from companies one is following
- Posts from Influencers and publishers one is following
- Posts from news channels one is following

LinkedIn has created the last two types of content to make the Updates section more attractive. Influencers are thought leaders in their respective fields who create content specifically for LinkedIn. In 2013, LinkedIn acquired Pulse, a news aggregator. By integrating Pulse with LinkedIn, users can subscribe to channels of interest to them. For example, a marketing manager might follow the “Marketing Strategies” channel, which would then give news updates related to this topic. LinkedIn has recently opened up its publishing platform so that members can write blog post-like content on LinkedIn and others can subscribe.

Another activity that keeps LinkedIn members more active on the site is the recommendation feature. LinkedIn users can write recommendations for other users that will show up on the recommended user’s profile. In addition, users can add skills and expertise to their profiles, and other users can verify the user indeed has those skills. As Figure 11.4.1 below shows, this LinkedIn user has Leadership, Financial Analysis, Management, and other skills, and 37 people have vouched for his Leadership skills. In a way, LinkedIn provides a review of a person’s capabilities as an employee.

 Skills & Endorsements

Top Skills

Rank	Skill	Count
37	Leadership	37
27	Financial Analysis	27
26	Management	26
26	Analytics	26
21	Analysis	21
18	Competitive Analysis	18
14	Marketing	14
13	Corporate Finance	13
11	Investments	11
10	CRM	10



Neal also knows about...

Skill	Count
Data Analysis	7
Business Development	7
Due Diligence	6
Portfolio Management	4
Market Research	4
Fixing Things	4
Eggs	3
Strategy	3
Access	3
Product Marketing	3
Risk Management	2
Twitter	2
Entrepreneurship	2

Figure 11.4.1

## Business Use of LinkedIn

LinkedIn is attractive to businesses for two reasons. First, any business that targets professionals can target them very precisely in LinkedIn. For example, consider a software company wishing to target mid-size companies (100 to 500 employees) for its software. This company could create ads that are only shown to CEOs of companies of that size (LinkedIn allows advertisers to target based on job function and company size). Or if the company had

software for the banking industry, it could target IT professionals who worked in the banking industry (if, e.g., many companies let their IT departments make some software decisions). Almost nowhere else online can advertisers so precisely target professionals.

Of course, business-to-business companies are not the only companies that find LinkedIn users to be valuable targets. Many professionals are interested in gaining additional skills that can help them in their careers, so education companies often advertise on LinkedIn, including, for example, schools advertising MBA programs or training companies offering executive training. Any company whose consumers are likely to be working professionals would want to advertise to LinkedIn's more than 250 million users.

A second way that LinkedIn is attractive to companies is as a source for attracting talent for their workforce. People don't just work where they can make the most money—people want to feel they are working for a good company (though people define “good” in many different ways). A company can enhance its reputation through content it posts to its LinkedIn profile. This content will show up on the Updates section of any LinkedIn user following the company. In addition, followers will also see jobs available at the company, which can more directly lead to the company being able to hire top talent for job openings.

# **Chapter 12 -**

# **Online Reputation Management**

## **(ORM)**

Introduction

- 1 - Monitoring Brands
- 2 - Responding to Negative Content
- 3 - Creating Positive Content

## Chapter 12 - Introduction

### Chapter 12 Learning Objectives

After reading this chapter, students should be able to:

- Identify actions a company can take to address negative criticism online.
- Determine worthwhile actions to increase a company's positive online content.

A local restaurant hires a web developer to create its website. He creates a well-designed and optimized website and publishes it online. He then does some additional off-site SEO for the website, and within a few weeks, due to these efforts, the website ranks #1 on Google for searches for the restaurant's name. The owner is happy with the developer's work and is about to give him a bonus, when she notices that on the Google SERP, links 2 through 5 are negative reviews of her restaurant from sites like Yelp and UrbanSpoon. She is concerned that being ranked #1 on this search will not help her much, because any searcher will get a negative impression of her restaurant because most of the top links about the restaurant are negative. Despite the developer's (very successful) SEO efforts, the owner is still not pleased with the overall result. This chapter addresses online reputation management, which is the practice of promoting a positive brand image online by increasing the visibility of positive information and managing negative information. By implementing the practices discussed in this chapter, a web developer can fill the entire first page of Google results with positive information about this restaurant, resulting in more business.

This chapter is dedicated to discussing the following:

- How a company can monitor the web for negative content about its brand online
- How a company can respond to negative content online

- How a company can ensure that positive content about its brand is discovered first online

Online reputation management (ORM) is not a method for avoiding responsibility for bad business practices. A company should be using all online feedback to improve its products and services and its employee training. Rather, ORM recognizes that negative online content can have unnecessarily damaging repercussions long after the underlying issues have been addressed. ORM is also about equipping businesses with the tools needed to handle new negative issues and turn customer complaints into satisfaction and loyalty.

# *Chapter 12 - Section 1 - Monitoring Brands*

For good or ill, consumers are talking online about companies' brands. Online review sites, directories, social media sites, Wikipedia, blogs, and forums all allow users to express their opinions about a brand, including opinions about its products, services, leaders, employment practices, and anything else related to it. This content can appear in so many places online that it is impossible to monitor this conversation by visiting each site and sifting through the billions of comments left by web users. Instead, a company can choose from a number of software tools that have been created to enable it to monitor what is being said about it in real time, no matter where these opinions are published (publicly) online. These tools crawl the web looking for mentions of a brand to alert a company of any new content that has been posted. A quick search for “social media monitoring tools” will turn up hundreds of these available tools. Some tools monitor social media sites only, whereas others crawl the entire internet.

Companies monitor their brands so that they can manage their reputations online. Online reputation management (ORM) is the act of reviewing what is being said about a company or individual online, so that the company or individual can engage in activities to improve the overall public perception of a company with which they are considering doing business online. ORM is traditional public relations, but for the internet.

## **Google Alerts**

Google Alerts offers a free tool for monitoring what is being said online. Users can enter as many terms as they like. Figure 12.1.1 shows what the tool looks like:

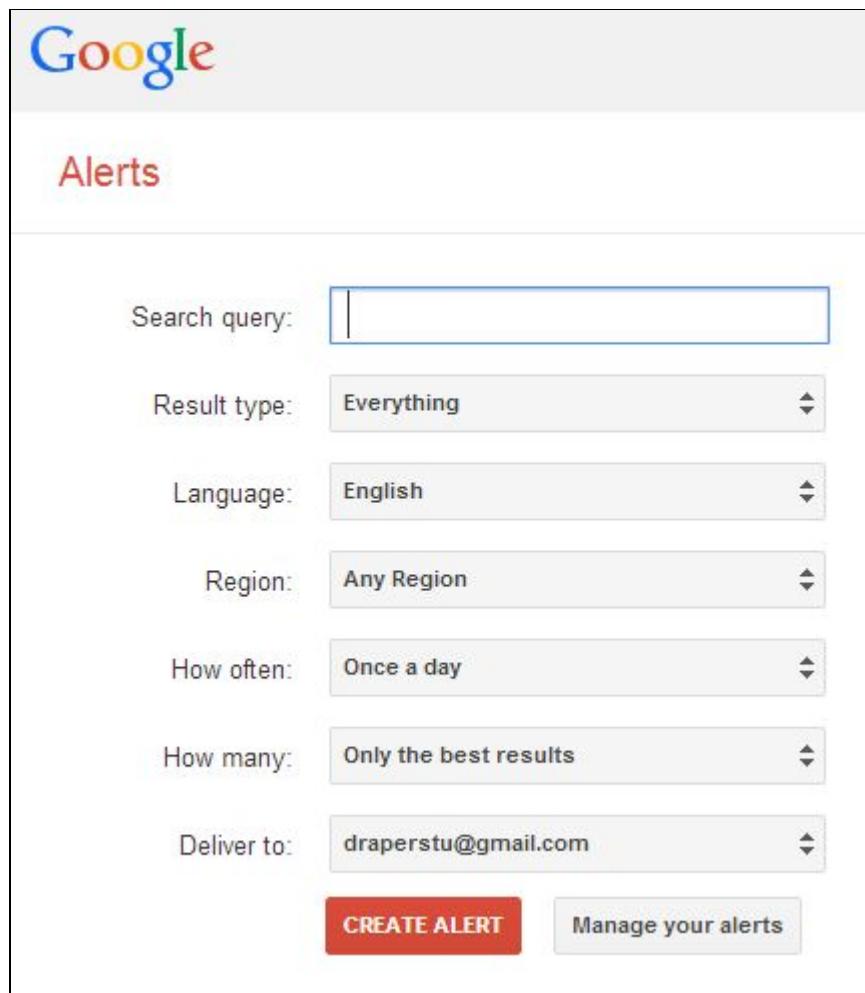


Figure 12.1.1

Users enter the words they want to monitor, which should include one's company name, the products the company produces, the company's trademarks, and even its high-level employees. Users can also monitor their competitors' brands, industry news topics, regulations and laws that affect one's company, customers' company names, and more. The more words one monitors, however, the more content one will have to sift through. If a company can't keep up with the number of alerts surrounding its brand, it can prioritize alerts, actively monitoring crucial alerts related to terms like "company name + fraud" or "company name + scam," but only occasionally monitoring terms like competitors' brands or its company's high-level employees.

As the above figure shows, users can specify the types of content they want to track, including everything, meaning all content of any type, and from any source. Or users can specify that they only want content from news sites,

blogs, video sites, discussions (forums/comments), or books. They also have the ability to set the language the alerts come in, the region/geography to monitor, the frequency at which these alerts will be delivered (as-it-happens, daily, or weekly), the number of results they want, and whether they would like to receive them by email or in a feed reader.

## Monitor the SERPs

While monitoring any online conversations about its brand, a company should also monitor the search results that appear on terms related to its brand, which it can do so very simply by conducting searches on brand-related terms. If its brand has dozens of possible search terms related to it, a company can use monitoring tools by Moz.com and others that provide ranking reports for multiple search terms.

# *Chapter 12 - Section 2 - Responding to Negative Content*

As a company monitors the web for mentions of its brand, it may come across content that reflects negatively on the brand. This content will surface in several different locations, and the proper response to this negative content depends on the location. A few of the locations that are likely to have negative content about a brand are the following:

1. Online review sites ([Yelp](#), [Zagat](#))
2. Scam reporting sites ([Scam.com](#), [RipOffReport.com](#))
3. Online forums ([fordforum.com](#), [connectedmoms.com](#))
4. Press articles (online news sources such as Huffington Post created a special page for links to all of the BP oil spill news coverage: <http://www.huffingtonpost.com/news/bp-oil-spill/>)
5. Websites of activist organizations ([PETA.org](#), [World.org](#))
6. Social media sites ([Facebook.com](#), [Twitter.com](#))
7. Blogs ([PeopleofWalmart.com](#), [DeltasEvil.blogspot.com](#))
8. Informational sites ([Wikipedia](#), [PublicRecords.com](#))

**Online Review Sites.** Reviews for products and services are published on many sites like Google+, Yelp, DexKnows, TripAdvisor, Zagat, and so on. Product reviews are often also published on the e-commerce platform where the product is being sold, including possibly the company's own website.

Positive reviews about a brand and its products improve a company's credibility and thereby improve conversion rates. Negative reviews, on the other hand, can deter customers from doing business with a company. The easiest way for a company to manage its reputation is to always provide superior products and services that warrant positive reviews, and to encourage happy customers to leave reviews.

When negative reviews are posted, some websites allow the company to respond, in which case, the company should avoid becoming defensive and

should avoid downplaying the reviewer's experience or making any negative statements about the reviewer. Ideally it should try to understand the situation fully, take responsibility where applicable, and point out what has been done to resolve the problem. Responding in this way shows that the company cares about its customers. Often, trying to take the conversation offline to resolve it makes the most sense. Effectively resolving negative customer experiences can actually result in greater satisfaction and loyalty than if the complaint had not occurred.

**Scam Reporting Sites.** A number of sites allow consumers to report being scammed or otherwise mistreated by a company. Examples include Scam.com, PissedConsumer.com, RipOffReport.com, and ScamBook.com. These sites are very good at SEO, and they rank very well for brand names of businesses that have been reported on their site. If a company is mentioned on these sites, it may leave a short response to the complaint, similar to how it would respond to a negative review.

Two words of caution:

1. A company should respond once in a professional manner and then leave it alone. Each time the page re-publishes with additional content about the company, search engines will re-crawl the content, and the ranking of this negative report can improve.
2. A company should not mention its brand or product names in its response, because doing so can actually make these negative web pages better optimized to rank for keywords the company cares about.

**Online Forums.** Consumers often turn to online forums like Reddit or brand forums like forums.comcast.com to rant about brands they dislike. Often, to reply to posts, a company must have its own account. Credibility in these third-party forums is based heavily on a company's participation in the forums. Depending on the frequency of mentions regarding its brand, a company may determine that participating in a given online forum is not worth its time. But having an account and actively participating in forums dedicated to its industry is probably wise. For example, if a company sells snowmobile parts, it should be a participant in a forum such as <http://www.snowest.com/forum/>. Such involvement would give the

company a chance to monitor what was being said about its snowmobile parts, and at the same time, allow it to mention to other forum participants the parts it sells.

**Press Articles.** News sources may sometimes do a negative report about a brand. Typically, if a news organization is going to mention a company in an article or story, it will ask the company for a comment. A company representative should be available to comment on the stories by having a [press@yourcompany.com](mailto:press@yourcompany.com) email address.

**Activist Organizations.** Some organizations form specifically to attack companies they view to be unethical. For example, an activist environmental organization may post negative content about a lumber company. In this case, the lumber company has no way to directly respond to such negative content on the organization's website. As a business, it will need to determine how to work with the organization to change the way its members talk about the company online. If such change is out of the question, it is critical that the company find other places online to share its side of the story.

**Social Media Sites.** Similar to most of the above listed platforms, a company must have an account in order to respond online to the things being said about it. Choosing to enter the conversation on a social media platform is a big decision. Once a company has joined the conversation, it is difficult to leave. On its own social profile, a company can typically moderate what is being said about its brand. When things are said about it on other social profiles, not only can the company not moderate the comments, but it may also have no way to respond. When possible, a company should try to make direct contact offline via phone or email with those that are posting negative things about its brand, so that it can resolve any issues with them and avoid further negative content being published.

**Blogs.** The most common place for responding to negative content on blogs about a brand is in the comments section of the post. A company should avoid being defensive and stay professional. Contacting the blogger to make amends can go a long way, and often that blogger will write something positive about the company for reaching out to resolve the issue.

**Informational Sites.** Wikipedia.org, CrunchBase.com, PublicRecords.com, and other sites dedicated to sharing information about companies will often create profiles about a business. Negative content that reaches these sites has

most often already been shared elsewhere online, because these sites are typically aggregators of information from other sources. Adding its own content to these sites will ensure that a company is able to add positive content that can offset negative things being said by others, and will allow the company to set the record straight on false reports.

All of the above sites rely heavily on user-generated content (UGC). Because these sites allow others to post content on their websites, they are not held liable for what is said, even if the content is libelous and inaccurate. For this reason, it is important for a company to do what it can to monitor what is being said, and to make sure the correct and accurate story is being shared.

## Emergency Response

At some point, a brand may become the center of a firestorm of negative publicity. For example, Taco Bell received a huge dose of negative press when this photograph of a Taco Bell employee went viral online.



Figure 12.2.1

Image Source: JJ O'BRIEN NOLAN/VIA FACEBOOK

By the time Taco Bell executives were made aware of the viral photo, there was no way to take the photos offline. They can still be found online today.

Taco Bell quickly responded the following day with a full press release:

### TacoBell Press Release

The story and photo were inevitably going to be covered by news media. By responding with a press release, Taco Bell was able to ensure that press coverage of the photo included information on Taco Bell's response to the photo, including efforts to ensure quality food handling in the future.

Effective emergency response to negative publicity includes three T's: timeliness, transparency, and training. By responding quickly (timeliness), a company can nudge press coverage toward its response to the controversy rather than focusing on the controversy itself. A company should also admit any wrongdoing (transparency), after which it can then focus the conversation on actions it is taking to resolve the wrong. Finally, a company should have a plan in place for its employees to respond to complaints (training). AirBnB, a hospitality network that provides an alternative to hotels, uses "scenario planning" to create protocols for every possible negative situation, allowing the company to respond quickly and resolve negativity in more effective ways. The lessons on applying scenario planning to the web are clear. By giving employees a set protocol on how to respond to common complaints, customer service representatives can respond confidently, knowing they are giving an appropriate response.

## Take it Offline

If negative things are said online about a company, it should do what it can to take the conversation offline as quickly as possible. The company should respond once with an invitation to call or email for further support. The more frequently a brand is associated with the negative content online, the greater the number of people that are likely to see the negative content, and the higher the likelihood that search engines will rank the negative content higher.

It is also a good idea to create social profiles for responding to positive and negative customer conversations online. An example is the Twitter handle @comcastcares. When a complaint is made about @comcast on Twitter, @comcastcares is dedicated to responding to those complaints. By responding quickly to complaints and taking the conversation private, Comcast limits the general public's view to only a limited number of short complaints rather than a long stream of negative back-and-forth conversations between Comcast and dissatisfied customers.



# *Chapter 12 - Section 3 - Creating Positive Content*

## **Creating Positive Content**

Consider Figure 12.3.1 below, which is the Google SERP for a search on “General Electric.” Two of the top three ads are for GE websites. The information on the right comes from GE’s Google+ profile. In addition, three of GE’s social media profile pages rank on the first page of organic ranking results. Because of the notoriety of such a large, publicly traded company, its Wall Street Journal profile and Wikipedia page rank there as well. The four other remaining sites ranking in the organic results are official GE websites. Between the ads, the social profiles, and the official GE websites in the organic search results, 10 of the links on the first page of the Google SERP are for webpages on which GE owns and controls the content. On pages 2 to 5 of the search results, the vast majority of links are also to sites managed by GE. When negative content about GE surfaces online, search engines have to choose whether the negative content is more relevant for a search on GE than all of the other content GE has published about its own brand. Even when negative content does show in the SERPs, positive content about GE greatly outnumbers it.

A key aspect of managing a brand’s online reputation is to create positive content about the brand that will rank well in SERPs. Below are nine ideas for webpages that can rank well for brand searches:

1. Corporate blog
2. Corporate website
3. Corporate ads
4. Social media profiles
5. Directory listings
6. Charity microsites
7. Customer support site
8. Product microsites
9. Cause microsites

When brands start to create additional sites, they are often tempted to move quickly and create sites that don't add value and that people will not find useful. These types of sites do not rank well in search results and it is not worth the time and effort to create them.

Google general electric

Web News Maps Images Shopping More Search tools

About 410,000,000 results (0.02 seconds)

**Official GE® Appliances - geappliances.com**  
[www.geappliances.com/OfficialSite](#) Dependable, Innovative Appliances. See What Sets GE® Appliances Apart. GE Appliances has 74,027 followers on Google+. Shop GE® Refrigerators - Shop GE® Ranges - GE® Profile Series

**Official GE Parts - Fix Your Appliance With Our Parts**  
[gepartsselect.com](#) Order Today. Ships Today. Ratings: Selection 8.5/10 - Website 8.5/10 - Service 7/10 PartGeek has 325 followers on Google+. Money Back Guarantee - Same-Day Shipping - Avg Delivery In 1-8 Days

**GE: Future of Innovation - ge.com**  
[www.ge.com/AdvancedMaterials](#) See How GE's Advanced Materials Technology Is Changing How We Build. Watch Us on YouTube - Technologist

**GE.com | imagination at work**  
[www.ge.com](#) General Electric Explore GE imagination at work. Learn how GE innovation builds, powers, moves & cares the world. We're changing the world one idea at a time. Careers - All Products - Consumer - Opportunities Dennis Goedegebure shared this on Google+ Block ge.com

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**General Electric - Wikipedia, the free encyclopedia**  
[en.wikipedia.org/w/index.php?title=General\\_Electric&oldid=91000000](#) General Electric, or GE, is an American multinational conglomerate corporation incorporated in Schenectady, New York, and headquartered in Fairfield, Connecticut, in the United States. Wikipedia

**GE Energy**  
[www.ge-energy.com](#) GE Energy Infrastructure GE is at work connecting people and ideas everywhere to create advanced technologies that power a cleaner, more productive world. Block ge-energy.com

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[wsj.com/g/GE](#) - The Wall Street Journal - ge - latest company news, stock quote, historical share prices, splits, options, earnings, estimates, ratings, cash flow and market valuation for General Electric Co ... Block wsj.com

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**generalelectric's Profile • Instagram**  
[instagram.com/generalelectric](#) - Instagram This feed features the groundbreaking research and technology that GE has been developing since the days of Edison. Log In · Privacy · Terms. Block instagram.com



General Electric Corporation  
Follow

General Electric, or GE, is an American multinational conglomerate corporation incorporated in Schenectady, New York, and headquartered in Fairfield, Connecticut, in the United States. Wikipedia

Stock price: GE (NYSE) \$26.83 -0.02 (-0.07%)  
May 13, 12:25 PM EDT - Cited earlier

Customer service: 1 (888) 348-7563 (Consumer)  
CEO: Jeffrey R. Immelt  
Headquarters: Fairfield, CT  
Founded: 1892, Schenectady, NY  
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People also search for

ALSTOM	SIEMENS	Whirlpool	Honeywell	Boeing
Alstom	Siemens	Whirlpool Corporation	Honeywell International	Boeing

Feedback

Figure 12.3.1



# **Chapter 13 -**

# **Mobile Marketing**

Introduction

- 1 - Mobile Web Design
- 2 - Marketing for Mobile

## Chapter 13- Introduction

### Chapter 13 Learning Objectives

**After reading this chapter, students should be able to:**

- Understand the principles underlying optimal mobile web design, including technical constraints of mobile devices and the unique intentions of mobile users.
- Determine how a company's digital advertising strategy should be adapted for mobile users.

Beginning with the introduction of the iPhone in 2007, mobile phones were fully equipped to access many websites. As these early mobile users began browsing websites on their phones, webmasters noticed that mobile users rarely made purchases on their phones. This observation led some webmasters to conclude that mobile users held no value and could be ignored. The reality is that mobile users can be very valuable to companies, but realization of that value requires a thorough understanding in two areas. First, marketers must understand the constraints of the mobile device and the implications for web design. Second, marketers must understand the usage intention of the mobile user and how that differs from a desktop user. This latter principle has implications for both web design as well as more general internet marketing practices surrounding mobile.

In the first section of this chapter, we discuss web-design principles for mobile. Interacting with a website is more difficult from a mobile device, so internet marketers must design mobile websites with these constraints in mind. In addition, because mobile users often have different intentions than desktop users, the mobile version should provide content more suited to the likely intentions of mobile users.

The second section of this chapter discusses more general internet marketing principles surrounding mobile devices. Whereas a conversion from a

desktop user is typically straightforward and therefore easy to measure, a mobile conversion encompasses a wider variety of behavior. Measuring these various mobile conversions and encouraging them requires a more nuanced understanding of the mobile market.

# *Chapter 13 - Section 1 - Mobile Web Design*

In general, webmasters have three technical options for designing a website that is optimized for both desktop and mobile users. First, a site can be set up to detect mobile users, and can serve a different page to mobile users using the same URL. Second, a site can send mobile users to a different URL that has been created for mobile users. Finally, a site can use responsive web design (RWD), which seeks to optimize the presentation of the same website across any screen size, by changing the site layout and/or image sizes. Generally, RWD is the recommended approach, though the best approach depends on the technical skills of the web-design team.

A mobile-optimized website must keep two major considerations in mind. First, the mobile website should be designed in keeping with the technical constraints of mobile devices. Second, the mobile website should provide the content most applicable to mobile users, keeping in mind that mobile users may not be looking to make a purchase from their mobile device but might still be encouraged to take other profitable actions.

## **Technical Constraints**

**Smaller screens.** A website made for a desktop computer will be difficult or impossible to read if shrunk to a mobile screen size. In addition, certain website features may not fully fit on the screen, making interaction with the website clumsy. As a result, written content likely needs to be pared down and images shrunk to fit on the screen. Some content portions will have to be cut, so strategic decisions must be made about the most important content for mobile users.

**Difficult clicking.** Fingertips are not as precise as mouse icons, so navigating a website through internal links is difficult on a mobile device unless it provides large buttons instead of text links.

**Difficult typing.** Retail sites need a more streamlined checkout process for a mobile device, on which typing in shipping and financial information is more

cumbersome.

**Slow load times.** A mobile site should be less data intensive than the full site, because mobile sites will load more slowly, because of both the slower mobile CPU and a slower internet connection.

## User Differences

**Purchase intention.** Desktop website users are more likely than mobile users to be looking to make an online transaction. This likelihood does not mean mobile users are not valuable. A mobile user may be looking for the location of the store to make an in-store purchase. As such, the mobile site should more prominently feature location information for the store.

**Research.** Side-by-side product comparisons and in-depth consideration of complex product information is much more feasible on a desktop computer or even a tablet computer of large screen size. Users on mobile devices with smaller screens, on the other hand, will conduct more cursory research on products and brands. This increase in research can be a huge opportunity for any brand with a good mobile presence, because it can influence the user's search when he/she is unlikely to thoroughly investigate the competition.

**In-store browsing.** Mobile users might be inside a physical store and use their mobile device to search online for product information on competing websites like Amazon.com. Showrooming, or using a retail store as a showroom for products purchased online, is a disconcerting trend for brick-and-mortar retailers. A brick-and-mortar retailer can create mobile content specifically designed to combat this practice.

**Urgency.** In many categories, desktop users are making plans for a more distant future, whereas mobile users are looking to purchase or book something immediately. Appealing to the urgent needs of mobile users can dramatically improve conversion rates.

## Case Study – Home Depot

Consider the desktop homepage for homedepot.com versus the mobile homepage.

MESSAGE TO OUR CUSTOMERS – UPDATE ON DATA BREACH [Learn More >](#)

**PRO SITE**  More saving.  
More doing.  
Your Store: **Provo #4416** [Use My Current Location or find store](#) Local Ad | Store Finder | Credit Center | Specials & Offers

Tool & Truck Rental | Installation Services and Repair | Gift Cards | Help |  Cart

Shop By Department ▾  
**Holiday Decorations**  
Appliances  
Bath & Faucets  
Blinds & Decor  
Building Materials  
Doors & Windows  
Electrical  
Flooring & Area Rugs  
Heating & Cooling  
Kitchen  
Lawn & Garden  
Lighting & Ceiling Fans  
Outdoor Living  
Paint  
Plumbing  
Storage & Organization  
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Figure 13.1.1

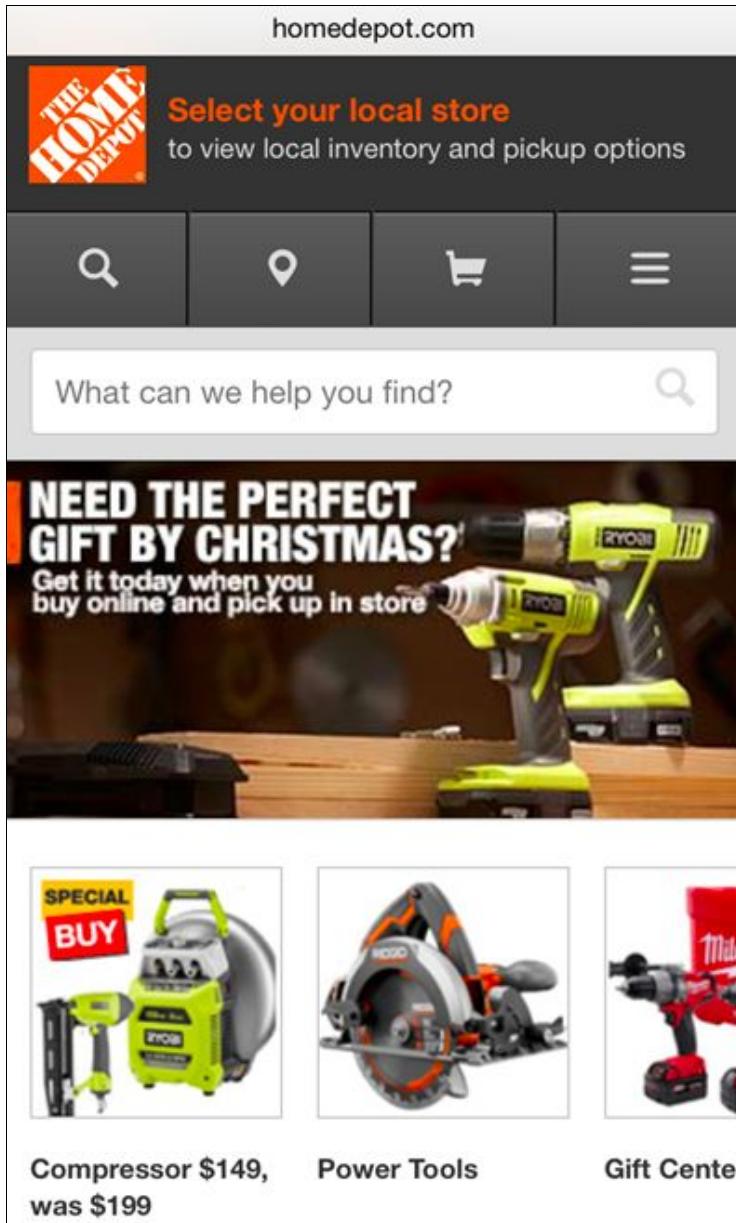


Figure 13.1.2

Home Depot's mobile site has been pared down to display only four basic pieces of content: (1) local store information, (2) navigation bar, (3) promotional ad, and (4) featured products.

1. The full site also provided local store information, but it was only a small portion of the header. Many mobile users do not want to make a purchase from their phone, but rather want to find the closest store, so Home Depot facilitates this alternative conversion by putting this information at the top. Allowing users to browse inventory available at their local store further facilitates this in-store conversion. Note that enabling mobile users to browse local inventory levels required more than simply providing a link—it required a major retooling of Home Depot’s database. Some mobile web-design decisions require approval and work far beyond the web-design department.
2. The navigation bar provides four options—search, store locator, shopping cart, and a drop-down navigation menu. Mobile users are less likely to make lengthy visits through navigation menus, so Home Depot has shrunk its navigation options and instead given more prominent space to search, so that users with a specific product in mind can find it quickly.
3. Both the desktop and mobile sites were accessed on December 22, and both feature the same promotion for online purchase and in-store pickup in time for Christmas. On the desktop site, this promotion was accompanied by a gray call-to-action box, “PICK UP TOOLS TODAY.” On the mobile site, this gray box was removed in favor of making the entire promotion area clickable, because of mobile users’ greater difficulty clicking on small areas.
4. The thumbnail size on the featured products for the mobile site was chosen purposefully so that the third product would be cut off, thus letting mobile users know they could scroll across to see additional featured products.

Another difference worth noting is the fact that the desktop site promotes free shipping. Mobile users are less likely to purchase directly on their phones, so no screen space is dedicated to this promotion.

If a user clicks on the Christmas promotion, the layout of the product page also differs considerably between the full and mobile sites, as seen below.

<input type="checkbox"/> SELECT TO COMPARE  <b>\$99.00</b> / each Was \$149.00 Save 34% Ryobi 18-Volt ONE+ Lithium-Ion Drill/Driver and Impact Driver Kit (2-Tool) Model # P882 <b>★★★★★</b> (620) <ul style="list-style-type: none"><li>• Ship to Home Free</li><li>• Pick Up In Store TODAY Free</li></ul> <b>+ ADD TO CART</b> <b>CHECK STORE INVENTORY</b>	<input type="checkbox"/> SELECT TO COMPARE  <b>\$249.00</b> / each Husky 46 in. 9-Drawer Mobile Workbench with Solid Wood Top Model # HOTC4609B1QBD <b>★★★★★</b> (179) <ul style="list-style-type: none"><li>• Pick Up In Store TODAY Free</li></ul> <b>+ ADD TO CART</b> <b>CHECK STORE INVENTORY</b>	<input type="checkbox"/> SELECT TO COMPARE  <b>\$149.00</b> / each Was \$199.00 Save 25% Ryobi 6 gal. Vertical Pancake Compressor with 3 Nailers Combo Kit Model # YG63CK <b>★★★★★</b> (21) <ul style="list-style-type: none"><li>• Pick Up In Store TODAY Free</li></ul> <b>+ ADD TO CART</b> <b>VIEW PICK-UP OPTIONS</b>	<input type="checkbox"/> SELECT TO COMPARE  <b>\$225.00</b> / each Was \$299.00 Save 25% DEWALT 15-Amp 10 in. Compact Job Site Table Saw Model # DW745 <b>★★★★★</b> (137) <ul style="list-style-type: none"><li>• Pick Up In Store TODAY Free</li></ul> <b>+ ADD TO CART</b> <b>CHECK STORE INVENTORY</b>
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Figure 13.1.3



**Ryobi** 18-Volt ONE+ Lithium-Ion Drill/Driver and Impact  
**\$99.00 / each**  
Was \$149.00 **Save 34%**  
 (620)

---



**Husky** 46 in. 9-Drawer Mobile Workbench with Solid  
**\$249.00 / each**  
 (179)

---



**Ryobi** 6 gal. Vertical Pancake Compressor with 3 Nailers  
**\$149.00 / each**  
Was \$199.00 **Save 25%**  
 (21)

Figure 13.1.4

Mobile users make shorter visits, so they are not given the option to select multiple products to make a side-by-side comparison, and such a comparison would not fit well on the screen anyway.

## Case Study – Priceline.com

Consider the differences between Priceline's full and mobile sites.

**priceline.com®**

Hotels Cars Flights Vacation Packages Cruises My Trips ▾ Help ▾

Hotels Flights Cars Vacation Packages Cruises More

**Search and Save on Hotels**

Where are you going?  City, Airport, Point of Interest, Hotel Name or U.S. Zip Code

Check-in  Choose Date  Check-out  Choose Date  Rooms  1 Room

**Search Hotels**

**Express Deals® - Save up to 55% on Hotels\***

Get exclusive savings on your hotel with Priceline's Express Deals®.  
Save time and money with no bidding required!

**Search Express Deals®**



  
**The Winter Hotel Sale**  
Extended! **Save up to 25%** on select hotels **Go**

**For Deeper Discounts - Name Your Own Price®**

 **Save up to 60% on Hotels\***  
[Bid Now »](#)

 **Save up to 40% on Flights\***  
[Bid Now »](#)

 **Save up to 40% on Rental Cars\***  
[Bid Now »](#)

Figure 13.1.5

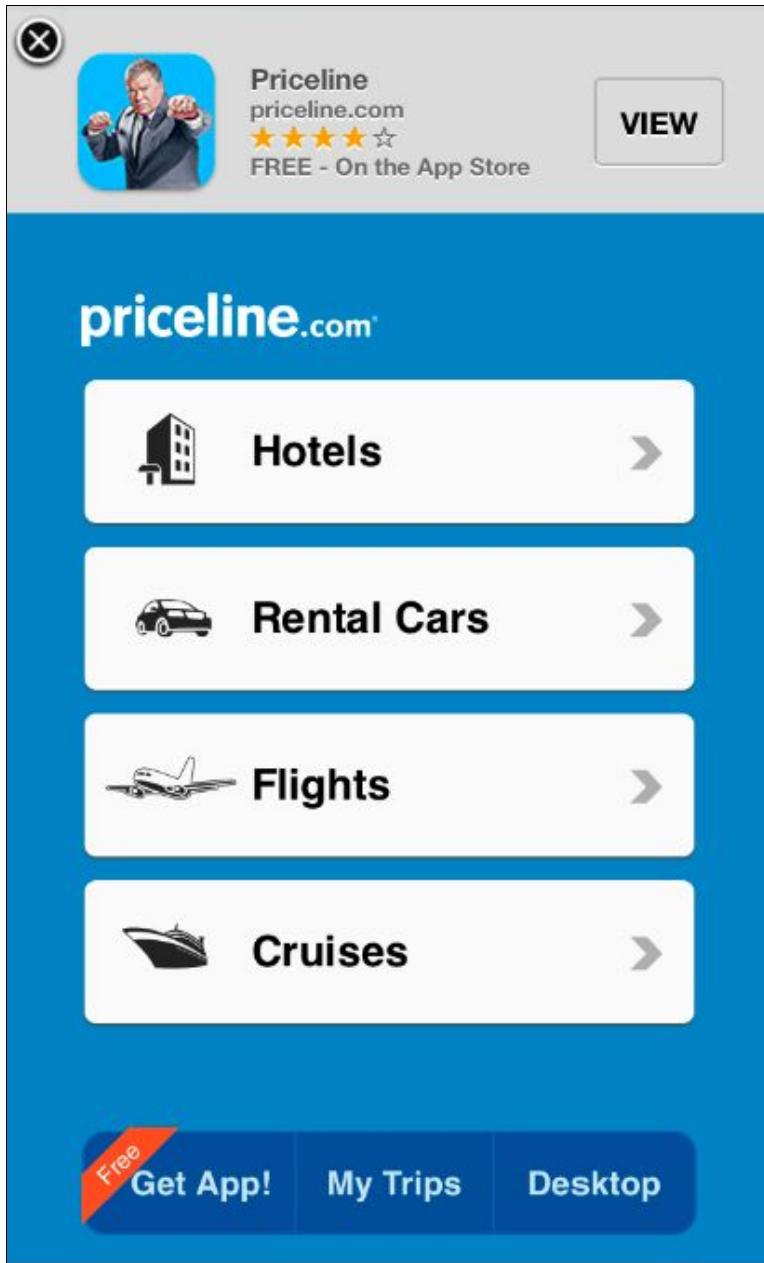


Figure 13.1.6

Priceline's full site wants to encourage users to complete a search, so the homepage loads the search form for hotels, its most searched-for service. Keyboard usage is clumsier on mobile phones, so whenever possible, Priceline's mobile site avoids making users type. When a user selects Hotels from the mobile

site, rather than see the same entry forms shown on the full site, the user sees the following:

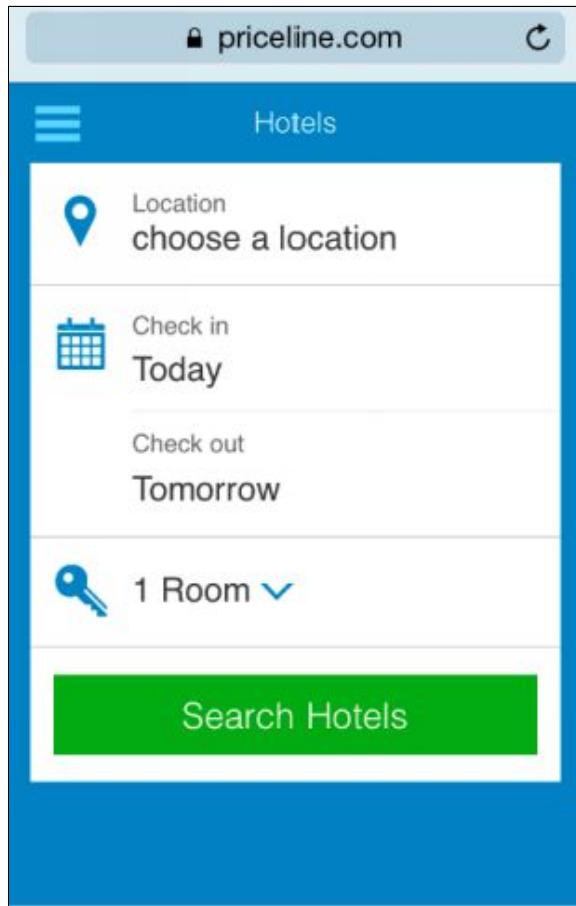


Figure 13.1.7

And when the user taps the location box, he/she sees the following:

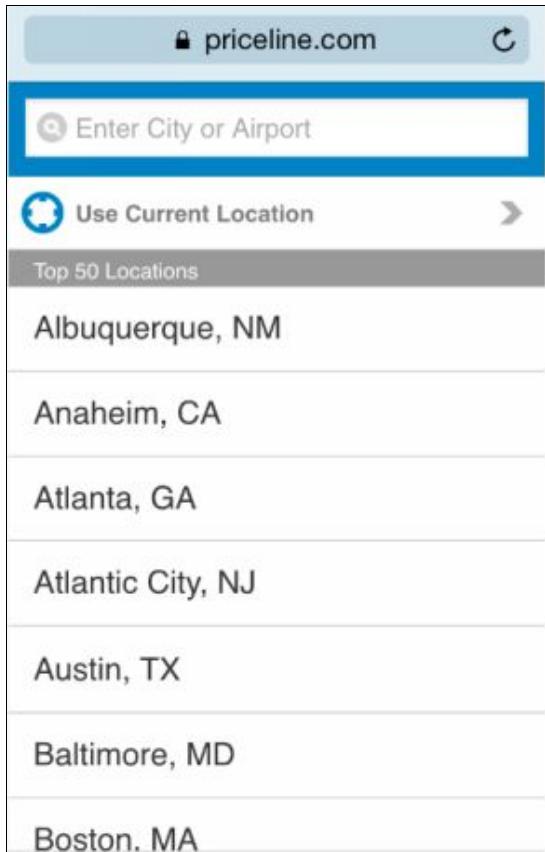


Figure 13.1.8

If the user chooses, he/she can enter the destination from the keyboard, but scrolling to find the destination is also an option for those who prefer not to type. (Note that the list of cities only includes major metropolitan areas so that scrolling is not overly laborious.) To streamline the booking process for mobile, the check-in and check-out dates default to today and tomorrow, because Priceline has noticed that mobile users are much more likely than desktop users to be looking for a last-minute hotel stay. Users booking a hotel stay for further in the future typically do so from a desktop computer.

Priceline's mobile homepage includes in two different locations a call-to-action to download the Priceline mobile application. The next section will cover the issue of whether to create a mobile application in addition to a mobile-optimized website.

Priceline has clearly determined the mobile app improves user loyalty, so it encourages app downloads whenever possible.

The My Trips button and the bottom of the mobile homepage is for Priceline users to check on bookings. This function is important for users who are mid-trip and need to access information about their next flight/car rental/hotel stay.

Designing a well-optimized mobile site requires the simplification and prioritization of content that is most pertinent for mobile users. This process should consider both the technical constraints of mobile devices, as well as differences in mobile as opposed to desktop users' intentions. Making these decisions correctly requires in-depth and continual study of the website's users. Web designers should pay close attention to analytics data from mobile users to ensure users are behaving as desired. A site that is mobile optimized today might become obsolete tomorrow, so mobile optimization requires continued monitoring.

# *Chapter 13 - Section 2 - Marketing for Mobile*

## Mobile Conversion

In chapter 1, we discussed conversions for various types of websites. Although some ambiguity existed in the definition of a conversion for some website types, determining the desired behavior of website visitors was nonetheless rather straightforward. In the mobile world, defining and measuring a conversion is more difficult. Any of the following behaviors from mobile traffic can be counted as a conversion, though none of them are an online purchase.

**App download.** Downloading a company's mobile application may make that person a long-time loyal customer, even though the app download does not lead to an immediate purchase.

**In-store visit.** Mobile users often find the physical location of a store on their mobile devices. If the subsequent store visit resulted in a purchase, the mobile traffic that led to that store visit was profitable, even if it does not show up in analytics.

**Phone call.** If a restaurant's mobile-optimized website leads to a phone call to order takeout or to make a reservation, the restaurant has earned a customer that did not come from an online transaction.

**Research.** Customers perform product research on the device that is most convenient, and throughout most of the day, a person's mobile device is handy. Online research from a mobile phone often leads to a later purchase from a different device.

Of course, online transactions do take place on mobile phones, so the obvious conversion of an online purchase should not be forgotten. Mobile marketers must consider the wide variety of desirable behaviors that mobile traffic can influence. Failure to consider these other profitable behaviors will cause a marketer to

underestimate the ROI generated by spending on mobile development and advertising.

## Should We Build a Mobile Application?

The first step in a mobile strategy should always be mobile optimization of the website. After (and only *after*) full optimization of the mobile site, the next step should be to determine whether to build a mobile application. For most major national B2C companies, the answer is a clear *yes*. Whereas a mobile site lets a company interact with all of its customers, a mobile application can enable a company to interact with its most loyal customers in ways that increase the loyalty and share of wallet of this customer group. For most small, local companies, the answer is a clear *no*. Creating a valuable mobile application is expensive and requires significant upfront expense in both the creation of the app and in advertising at the launch to generate a sizeable install base. In addition, creating an app that truly adds value for customers is difficult and typically outside the talent level of a small company (especially one whose core competency resides outside of internet marketing).

For other companies, the question of whether to create a mobile application rests in the value that the application provides to customers beyond the value already provided by the mobile website. If the company plans to simply port the mobile website into a stand-alone application, doing so is unlikely to generate profits for the company. On the other hand, a well-designed mobile application can enable customer interactions that can increase customer loyalty and hence improve company profits. The mobile application space is an extremely innovative and creative one, so creating a great mobile application has no list of rules and guidelines. But we now provide examples of some innovative mobile applications that have created value for customers.

**Delta.** Unlike the retail sector, in which customer interaction ends at purchase, in the travel sector, the customer interaction begins at purchase. After an airline purchase, the customer undertakes a prolonged interaction with the airline when the flight time arrives. Delta designed its mobile application to help customers through this prolonged interaction. Customers can use the application to check in, upgrade

seats, make flight changes, get alerts on flight status, use their phone as their boarding passes, and book new flights. The value of this application to Delta is likely not adequately measured by the new bookings received on the app. Most air travel is planned with enough foresight that users likely prefer to book from their desktop computers. But by making air travel a little bit easier, the airline's customers are more likely to book a Delta flight rather than that of a competitor for their next trip.

**Kohl's.** A large share of Kohl's customers shop at Kohl's for the great bargains and promotions. Kohl's offers frequent sales and several other types of promotional offers to encourage customers to make regular visits to the store. The mobile application gives customers additional ways to save money on purchases. It offers promotions only available to app users, which can induce additional online purchases for customers who typically purchase only in store. Kohl's also hopes the application reduces showrooming. With the app, customers can scan the barcode of any product in the store and find customer reviews on the product. By providing this information for the customers, customers are less likely to look up the product on Amazon.

**Volvo.** Owners of a new Volvo vehicle can use their app to remotely activate some of the car's features. They can remotely lock the car, check fuel levels, and heat up the car. They can also use the app to locate their car or call roadside assistance. Such novel capabilities help Volvo salespeople close a deal with customers who find the capabilities unique and useful, while also increasing these customers' loyalty for future vehicle purchases, because they may lament losing the app functions if they switch to another car brand.

## Mobile Marketing Strategy

Prior sections of this chapter have already mentioned many of the important aspects of mobile marketing strategy, so we first review these important strategic considerations for mobile marketing. We then introduce some additional decision points for mobile strategy.

The first step in a viable mobile marketing strategy is to create a mobile-optimized website. The mobile website should (1) be designed to display well on the full range of mobile devices, (2) prioritize content so the mobile site only displays content most relevant to mobile users, and (3) encourage mobile users to convert, recognizing that a conversion might mean something other than an online transaction.

Once the mobile site is optimized, the company should determine whether to create a mobile application. Creating and maintain a mobile application is expensive, so a company should only undertake development if the mobile application will create significant value for customers above and beyond the mobile-optimized website.

The aspects of mobile strategy mentioned thus far are focused on content. Another important aspect of mobile strategy is advertising. All of the same advertising types available for desktop computer users—search ads, display ads, video ads, and so on—are available for mobile. But differences between mobile and desktop users mean that mobile ad strategy should differ from the desktop advertising strategy. Below, we list some major considerations for mobile advertising strategy.

**Vary ads by time of day (dayparting).** When a mobile user searches for “restaurants” at 11:59 am, she is likely looking for a place to eat at 12:00 pm. Mobile users are often looking for information that they will act on immediately. A mobile user who looks for store locations is worth more during regular store hours than after closing, so an advertiser should adjust bids (or activate and deactivate ads) accordingly.

**Mobile-specific keywords.** Search terms on mobile tend to be shorter and include more spelling errors than on desktop computers. Advertisers should thus create separate keyword lists and campaigns for mobile and desktop.

**Different bid amounts for mobile.** On Google’s display ad platform, advertisers are automatically opted in to their ads displaying on mobile sites. But advertisers can specify a lower bid amount for ads that display on mobile. Advertisers should track the value of mobile display ads and adjust bids accordingly. Mobile display ads may be worth much less than desktop ads because mobile ads may yield a large share of “fat-finger” clicks—unintentional clicks that occur because mobile clicks

are less precise. But advertisers should also note that mobile clicks might be worth more than is immediately apparent from analytics, if the clicks result in conversions outside of an online transaction.

**Activate ad extensions.** Ad extensions such as click-to-call will increase conversion dramatically on mobile devices, so mobile marketers should ensure these extensions are activated.

**Use video.** Mobile users are becoming increasingly accustomed to watching videos on their phones. Video ads may have a more dramatic effect on mobile users.

## Mobile Past and Future

Several novel technologies surrounding mobile devices have been put into practice with a varied amount of success. Other technologies will doubtless be developed in the near future, and one cannot reliably predict which technologies will take hold and which will have minimal effect, but past technologies provide some lessons for the use of mobile technology.

**Geofencing.** Geofencing allows a company to create a virtual “fence” around a location and alert passersby if they enter into the “fenced” territory. For example, a bakery could set up a geo fence 100 yards around its store and offer a 25% discount to people walking by. Although this strategy seems like a marketer’s dream, it is also a customer’s nightmare. Customers do not want to receive unsolicited messages from companies, especially not obtrusive text messages, so this practice has never come into widespread practice.

**QR Codes.** QR Codes allow mobile phone users to easily scan a simple square icon (like the one below), and the mobile device will be taken to a website with promotional content. The advantage of QR Codes is that they save users from having to manually enter a URL, but most consumers never even downloaded the app that allows them to scan the codes in the first place. Many marketers overestimate consumers’ desire to connect with their brand, not realizing most consumers do not desire a “relationship” with a brand. So consumers rarely have an incentive to scan a QR Code.



Figure 13.2.1

**Augmented Reality (AR).** AR utilizes a cell phone's camera and augments the picture with content that complements the image that the camera sees. For example, in the figure below, AR recognizes the grocery store aisle and offers discounts on select items in the aisle. The technology is impressive, and the opportunity for marketers is seemingly endless, especially if technology like Google Glass becomes popular. But marketers need to keep in mind that most consumers prefer an unaugmented reality if the augmentation is simply obtrusive promotional content. AR will only take off if the additional content is truly valuable to customers.

