# **Advanced Search**





# **Phases**

Phase I - Review on Search Fundamentals

Phase II - Ad Formats

Phase III - Ad Quality

Phase IV - Adwords Tools

Phase V - Performance Monitoring and Reporting

Phase VI - Performance, Profitability, and Growth



- Organizing Campaigns
- Organize campaigns for maximum results
- Adwords Account limit
- Keyword Match Types
- Understanding Ad Position and Ad Rank
- How ad position is determined
- Actual Cost-Per-Click (CPC)



### **How AdWords is Organized**

AdWords is organized into three layers: account, campaigns, and ad groups.

- Your account is associated with a unique email address, password, and billing information.
- 2. Your ad campaign has its own budget and settings that determine where your ads appear.
- Your ad group contains a set of similar ads and the words and phrases, known as keywords, that you want to trigger your ads to show.

	Acc	ount	
		and password formation	
Cam	paign	Cam	paign
Budget Settings		Budget Settings	
Ad Group	Ad Group	Ad Group	Ad Group
Ads Keywords	Ads Keywords	Ads Keywords	Ads Keywords



### Why you should organize your ad groups and campaigns

When people are searching online and they type a word or phrase, they're looking for information that's closely tied to those words.

For example:

if Eric types *digital cameras* and he sees an ad for film reels, he probably won't click the ad.

A collection of ad groups forms a campaign. Your campaign is the master control for your ad groups where you can choose:

- How much you're willing to spend on clicks or conversions from your ads
- Networks and geographical locations where you want your ads to show
- Other top-level settings that affect clusters of ad groups



### **Adwords Account Limits**

These are the limits for an AdWords account (although most advertisers don't reach them):

#### Campaign and ad group limits

- 10,000 campaigns (includes active and paused campaigns)
- 20,000 ad groups per campaign
- 20,000 ad group targeting items per ad group (such as keywords, placements, and audience lists)

#### **Ad limits**

- 300 image/gallery ads
- 50 text and non-image/gallery ads per ad group
- 4 million active or paused ads per account

#### **Targeting limits**

- 5 million ad group targeting items per account (such as keywords, placements, and audience lists)
- 1 million campaign targeting items per account (such as geo target and campaign-level negative keywords)
- 10,000 location targets (targeted and excluded) per campaign, including up to 500 proximity targets per campaign
- 20 shared negative placement lists per account
- 65,000 placements per negative placement list
- 11,000 shared budgets per account
- 20 shared negative keyword lists per account\*
- 5,000 keywords per negative keyword list\*



### continuation: Adwords Account Limits

#### Limits for business data and feeds

- 400K rows or feed items per account for dynamic ads, ad customizers, and extensions
- 100 user-generated feeds or business data sets per account
   3,000 bytes per attribute (roughly 750 3,000 characters depending on the byte size of the character)

#### Ad extension limits

- 250,000 ad group-level extensions per account\*\*
- 50,000 campaign-level extensions per account\*\*
- 10,000 ad group-level extensions per campaign\*\*

**NOTE:** If your ad groups are close to reaching their keyword limit, we'll place a notice in your account.



### **Using Keyword Matching Options**

- Use matching options with your keywords to help control which searches can trigger your ad.
- When choosing the appropriate match type for a keyword, we typically recommend starting with broad match to maximize your potential to show your ads on relevant searches.
- Use the search terms report to monitor which keyword variations triggered your ads.

Keyword match types help control which searches can trigger your ad.

The **broader the keyword matching options**, the more traffic the keyword has,

CONVERSELY,

The **narrower the keyword matching options**, the more relevant that keyword will be someone's search.



### **About Keyword Match Types**

Match type Special symbol		Example keyword	Ads may show on searches that	Example searches
Broa <mark>d</mark> match	none	women's hats	include misspellings, synonyms, related searches, and other relevant variations	buy ladies hats
Broad match modifier	+keyword	+women's +hats	contain the modified term (or close variations, but not synonyms), in any order	hats for women
Phrase match	"keyword"	"women's hats"	are a phrase, and close variations of that phrase	buy women's hats
Exact match	[keyword]	[women's hats]	are an exact term and close variations of that exact term	women's hats
Negative match	-keyword	-women	are searches without the term	baseball hats



### **Understanding Ad Position and Ad Rank**

#### What is Ad Position?

Ad position is the order in which your ad shows up on a page.

Ad Position is determined by your Ad Rank

### **Ad Rank** is based on your:

- bid and
- quality score
  - expected clickthrough rate
  - ad relevance
  - landing page experience
- expected impact of extensions and
- other ad format

### How to improve Ad Rank?

- > either increase your bid or
- improving the quality of your ads



### **Understanding Ad Position and Ad Rank**

How ads cycle through the search result pages.

The following two rules typically apply for which ads are eligible to show where:

- "Top" placement (top of the page):
  Up to three ads can show in the top positions on each page.
- "Other" (Side or bottom of the page) up to 8 ads.



### **Actual Cost Per Click**

### Your actual cost-per-click (actual CPC)

- the final amount you're charged for a click
- you're often charged less sometimes much less than your maximum cost-per-click (max cpc) bid,
- the most you'll pay is what minimally require to hold your ad position and any ad formats shown with your ad, such as sitelinks

#### **Examples**

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.



- Text Ads Best Practices
- When to Use Dynamic Search ADs
- Ad Extensions:
  - Location Extensions
  - Call Extensions
  - Sitelinks



### What Makes up a Text Ad

### Text ads have three parts:

- Headline
- Display URL
- Description

Advertise with Google

adwords.google.com

Want jaw-dropping results?

Create your ad campaign today

Headline
Display URL

Description

### Length Limits:

	Max length (most languages)	Max length (double-width* languages)	
Headline:	25 characters	12 characters	
Display URL:	35 characters	17 characters	
Description line 1:	35 characters	17 characters	
Description line 2**:	35 characters	17 characters	

<sup>\*</sup>Double-width languages include languages (like Chinese, Japanese, and Korean) with double-width characters.

<sup>\*\*</sup>The text in description line 2 may appear differently on mobile. Learn more.



### **Ad Format**

The standard type of AdWords ad. A text ad includes a link to your website and a description or promotion of your product or service

- > includes:
  - a title that's also a clickable link to your webpage
  - one or two lines of text
  - your website address shown in green
- appear on Google search results pages and across the Google Network.
  - text ads might look different on the Display Network or on mobile.
- often appear with language that labels them as advertisements so that viewers understand that the links are paid promotions.



## **Tips for Creating Successful Text ads**

Successful text ads are specific, relevant, attractive, and empowering.



#### Highlight what makes you unique

free shipping? Dazzling variety? Tell people! Showcase the products, services, or offers that makes you competitive





People often use Google search to make a decision about something. Give them what they need to decide. If you have a limited-time discount or stock an exclusive product, say so.

### **Empower customers to take action**

Are you selling something? Tell people what they can buy. Are you offering a service? Tell people how to contact you. Calls to action like *purchase*, *call today*, *order*, *browse*, *sign up*, or *get a quote* make clear what the next steps are.

#### Include at least one of your keywords



**Keywords** in your ad text show your ad's relevance to what people want. For example, if you've included *digital cameras* as a keyword, your ad headline could be "Buy Digital Cameras."

### Match your ad to your landing page



Have a look at the page that you're linking to from your ad (the landing page), and make sure that the promotions or products in your ad are included there. People might leave your website if they don't find what they expect.



### **Tips for Creating Successful Text ads**

Successful text ads are specific, relevant, attractive, and empowering.

### Appeal to customers on mobile

People seeing your ads on mobile are more likely to want to know where you are, or to call you. Show your location and phone number with location extensions and call extensions. Also, consider creating ads devoted to people on mobile devices, using the mobile version of your website as a landing page, and offering specials suited to a mobile audience. Keep in mind, your text ads can appear differently on mobile.

#### **Experiment**

Create three to four ads for each ad group, and use different messages for each to see which does the best. AdWords rotates ads automatically to show the best-performing ads more often.

#### Check for common ad text mistakes

In order to make sure all AdWords ads are high quality, every ad must meet high professional and editorial standards. That means no extra spaces, sTrAnGe CAPITALIZATION, or unclear URLs, to name a few.





### **Common Text to Avoid with your Text Ads**

### Two Categories of a common mistakes:

- ad text
- ad URL

#### **Ad Text**

- Capitalizations
  - > ALL CAPS
  - > RaNdOm Capitalization
- Excessive exclamation points!!!
- Exclamation points in headline!!!
- Repeated symbols ()()()

- Using "@home" to mean "at home"
- Spacing (No extra Spacing)
- Do not include phone number on your headline or description. Instead, use call extension or call-only
- Accurate and Clear describes what you're selling



### **Common Text to Avoid with your Text Ads**

#### Ad URL

- isn't mistyped
- doesn't include "http" or "https"
- does not use non-standard characters like exclamation points.
- Need to have the same domain.

- Same Domain for your ad's:
  - Display Url
  - > Final Url
  - Landing page URL

#### Correct









### Wrong









### **About Shopping Campaigns and Product Listing Ads**

How Shopping Campaigns and Product Listing Ads Work

#### **Product listing ads**

- use your existing Merchant Center product data - not keywords
- to decide how and where to show your ads
- product data you submit through Merchant Center contains details about the product you sell
- we'll use these details when we match a Your product list user's search to your ads, making sure to same time as text ads. show the most relevant products

### Where your ads appear

- Google Shopping (in select countries)
- Google search, next to search results and separate from text ads
- Google search Partner websites (if your campaign is set to include search partners

Your product listing ads can appear at the same time as text ads.



## **About Shopping Campaigns and Product Listing Ads**

How Shopping Campaigns and Product Listing Ads Work

### **Availability by Country**

- > US
- > UK
- Australia
- Germany
- > France
- Japan
- > Italy
- > Netherlands
- Brazel
- > Spain
- Switzerland and
- Czech Republic

#### Cost

You'll only be charged whenever someone takes one of these actions with your ad

- The user clicks an ad that leads directly to the landing page on your website
- ★ The user clicks an ad that leads to the Googlehosted landing page for your local inventory

This is known as cost-per-click (CPC)



### **Using Dynamic Search Ads**

### **Dynamic Search Ads**

- → Show based on the content of your website.
- → This means you don't have to maintain lists of keywords or landing pages.

#### Reasons

- → Uses Google's organic web-crawling technology to automatically target relevant search queries based on your website content
- → Increment traffic from Dynamic Search Ads can fill in gaps in your keyword campaigns for great return on investment (ROI)
- → Offers a powerful way to target to many queries through an easy campaign-creation workflow

### Who should use Dynamic Search Ads

- → Your website features an assortment of different products or services, and some of your items are changing over time
- → You sell seasonal product lines or other offerings, or you're expanding your business to new markets.

# When Dynamic Search Ads may not be Ideal for your Business

- → With rapidly changing content, as rapid contents won't be immediately detected,
  - for example, websites that features daily deals aren't the best fit for Dynamic Search Ads



### **Using Dynamic Search Ads**

### Why Use Dynamic Search Ads

- → Save Time
- → Frequent, automatic updates to your ads
- → Show relevant, dynamically generated headlines with your ads
- → Control your campaign (prevent your ads from showing for products that are temporarily out-of-stock)
- → Capture additional traffic

#### **How Adwords Search Ads Work**

Instead of keywords, we use content from your website domain to target your ads to searches.

To do so, we use google's organic search index of your website to determine which searches might be relevant to the products and services offered on your website, **Here's how it works:** 

- Choose which landing pages to scan
  - More advanced options for dynamic search targets includes
    - Pages with titles containing certain words
    - Pages with URLs containing certain strings of text
    - Pages containing certain words



### **Using Dynamic Search Ads**

#### **How it works:**

- We'll show your ad for relevant searches with dynamically generated text
  - Google generates your ad's headline and landing page URL.

#### For example:

Advertise with Google Headline: Dynamic

**URL**: Dynamic

Want fast results? Ad Text: Written by you

Create your ad campaign Ad Text: Written by you

today!

### **Dynamic Search Ads and Ad Rank**

- > same ranking
- how dynamic search ads work with your keyword based campaigns.
- You're still in control
  - you control the dynamic ad targets,
    - ad templates,
    - bids, and
    - budget
  - You can use negative keywords
- You'll get full reporting
- Works with ad extension



### **Using Dynamic Search Ads**

### Ways to target

Five types of dynamic ad targets you can use to refine how we'll show your ads:

- ★ All webpages: every single page in your ★ website's domain
- ★ categories: based on your website content, Google creates categories, or sets of landing pages organized by theme. You decide which sets of pages to target, how to group similar pages, and the level of granularity.
- ★ URLs: Pages with URLs containing certain strings that you specify

- ★ Page Title: pages with title contain certain words.
- ★ Page content: Pages that contain certain words that you specify

How to create dynamic ad targets: ...

How to block pages with dynamic ad target exclusions

How to negative keywords

A walkthrough.



### **Extensions**

### **Location Extensions**

#### What local extensions do:

- Location extensions show your business address, phone number and a map marker with your ad text
- On mobile, they include a link to your business
- Clicks on ads with location extensions cost a standard cost-per-click

### How you benefit:

- Encourage people to visit you in person.
- You can add multiple addresses by linking your account to Google My Business
- On average, ads with location extensions see a 10% boost in clickthrough rate.
- You can target your ads around your business addresses.



### **Extensions**

### **Location Extensions**

# Where and how your local business info can appear:

Google Search network: can appear as a standard text ad with your business address and phone number.

Amherst Ice Cream Parlour

Ad www.example.com

(413) 123-4567

Our specialty is pistachio.

English majors, buy 1 get 1 free.

📦 100 Dardanelles Rd, Amherst MA

- Google Search Network Partner Site:
- Google Maps:
- Google Display Network:
- Desktop and tablet
- Mobile Devices



### **Extensions**

### **Location Extensions**

### How to set up location extensions:

Adwords uses <u>Google My Business</u> to manage your business addresses.

- Google My Business is a free service that helps customers find your online.
- It makes all your business addresses available for any campaign or ad group on the Search, Display, or Search with Display Select networks.
- You use filters to control which addresses show up with your ads at the account, campaign, and ad group level
- Filtering options also let you choose whether a given campaign or ad group will show location extensions on all devices,



### **Extensions**

### **Enhance your ad with Extensions**

# Ad extensions create more reasons to click your ad

- ★ Improve Visibility
- ★ Better return on investment

#### How ad extensions work

★ Adding extensions won't guarantee that it will show with your ad, but you can keep track of when your extensions are appearing on the Ad extensions tab

#### What ad extensions cost

There's no cost to add extensions on you campaign, but you're charged as usual for clicks on your ad, as long as for certain interactions that extension provide.

#### Where extensions can be shown

Can appear on the <u>Search network</u> and might also appear on <u>Display Network</u> (all features)



### **Extensions**

### **Manual Extensions and Automated Extensions**

#### **Manual Extensions**

Extension	Campaign type	Available	Devices
Apps	Search Network with     Display Select - All     features      Search Network only -     All features	Globally	Mobile/Tablet only
Calls	Search Network with Display Select     Search Network only     Display Network only	Globally	Mobile/Tablet Desktop
Locations	Search Network with Display Select     Search Network only     Display Network only	Globally	Mobile/Tablet Desktop

Reviews	Search Network with Display Select - All features     Search Network only - All features	Globally in the following languages: EN/GB/AU, DE, FR, ES/419, JP, PT/BR, IT, and NL	Desktop
Sitelinks	Search Network with Display Select - All features     Search Network only - All features	Globally	Mobile/Tablet Desktop
Callouts	Search Network with Display Select - All features     Search Network only - All features	Globally	Mobile/Tablet Desktop



### **Extensions**

### **Manual Extensions and Automated Extensions**

#### **Automated Extensions**

Extension	Campaign type	Available	Devices	Dynamic sitelink . ;	Search Network with Display	Globally	Mobile/Tablet
Consumer ratings	Search Network with Display     Select - All features      Search Network only - All features	US, UK, Canada, Australia	Mobile/Tablet Desktop	extensions	Select - All features  • Search Network only - All features		Desktop
	Wat in Translation during the Chinateses to let the device of the Control Process State (Associated Section 1)			Social extensions	Search Network with Display	Globally	Desktop
Previous visits	Search Network with Display     Select     Search Network only	Globally	Mobile/Tablet Desktop		Select - All features  Search Network only - All features		
Seller ratings	Search Network with Display     Select - All features     Search Network only - All features	US, UK, DE, FR, AU, NZ, JP, and NL	Mobile/Tablet Desktop	Dynamic structured snippets	Search Network with Display     Select - All features     Search Network only - All features	English (Global)	Tablet Desktop



### **Extensions**

### **Enhance your ad with Extensions**

### **Creating new ad extensions**

- Automated extensions don't need setup:
- You manage addresses for location extensions with Google My Business:

#### How to create new ad extensions

- Choose ad extensions as you create a new campaign
- Add extensions to existing campaigns or ad groups

### **Editing ad extensions**

- Editing extensions in bulk
- Editing extensions with uploaded spreadsheets

### **Removing extensions**

To remove extensions from your campaigns, just check the box to the left of the extension(s) and click the Delete button.



### **Extensions**

### **Benefits of Using Google Places**

- Reach millions of Google users, quickly and free with Google Places
- Edit your listing and speak for yourself
- Practical and easy to manage
- Premium options, all for free
- Signing up for Google Places is simple



### **Extensions**

### **Add Phone Number to your Ads**

### What phone numbers can do:

- Encourage calls to your business by showing your phone number on your ad.
- Display a clickable call button with your ad (on high-end mobile devices).
- Cost the same as a headline click (a standard CPC).
- For call-only campaigns, ads will only appear on devices capable of making calls.

### How you benefit:

- Adding phone numbers to your ads makes it easy for people to call you on the go.
- You can share these numbers across ads within an ad group or entire campaign.
- Clicks on call-only ads exclusively drive calls to your business.
- You can set numbers to show only when your business can take calls.
- You can count calls as conversions. Learn more about call conversions.
- Call extensions have typically increased clickthrough rate by 6-8%.



### **Extensions**

### **Create a Call-only Campaign**

Call-only campaigns allow you to focus on getting more people to click-to-call you straight from your ads.

### ☐ How call-only ads work

Ads created in call-only campaigns are fine-tuned to show only on mobile devices that are capable of making calls. Clicks on these ads will only generate calls — they won't link to a website.

- Create a new call-only campaign
- Create a new ad group
- Bidding for phone calls



# **Phase III: Ad and Site Quality**

- Understanding Quality Score
  - > What is quality score
  - > Why does quality score matter
- Understanding Landing Page Experience
  - > Why landing page experience matters
- How landing page experience is determined
- Understanding Invalid Traffic
  - > Type of invalid traffic
  - How Google handles invalid traffic
  - > How to monitor invalid traffic
  - Reporting invalid clicks



## **Check and Understand Quality Score**

Quality Score? The 1-10 Quality Score reported for each keyword in your account is an estimate of the quality of your ads and landing pages triggered by that keyword. Having a high Quality Score means that our systems think your ad and landing page are relevant and useful to someone looking at your ad.

- Your ad's expected CTR:
- Your display URL's past CTR:
- ☐ The quality of your landing page:
- → Your ad/search relevance:
- ☐ Geographic performance:
- Your targeted devices:

#### **How Ad Quality Affects You**

- Ad auction eligibility:
- ☐ Your actual cost-per-click (CPC):
- ☐ Ad position:
- Your keyword's ad position bid estimates:
  - ☐ first page bid estimates
  - top of page bid estimates and
  - ☐ first position bid estimates
- Eligibility for ad extensions and other ad formats:



### **Understanding Landing Page Experience**

### **Landing Page Experience**

refers to how good we think someone's experience will be when get to your landing page

### Viewing your website landing page experience

The landing page experience could be:

- Above average or Average
- Below Average

### Improve landing experience by:

- ★ providing relevant, useful, and original content,
- ★ promoting transparency and fostering trustworthiness on your site (for example, by explaining your products or services before asking visitors to fill out forms sharing their own information),
- making it easy for customers to navigate your site (including on mobile sites), and
- encouraging customers to spend time on your site (for example, by making sure your page loads quickly so people who click your ad don't give up and leave your site prematurely).



### **Invalid Traffic**

#### **Invalid Traffic**

refers to clicks and impressions on AdWords ads that we suspect aren't the result of genuine customer interest.

**Examples** of invalid traffic include clicks and impressions performed by automated tools, as well as accidental clicks – for instance,

If someone double clicks your ad. We don't charge you for invalid clicks and impressions because we think they have little or no value.



### **Invalid Traffic**

### How google handles invalid traffic

When our system detects invalid clicks on your ads, we automatically filter these out of your reports so that you're not charged for them. However, you still have the option to view invalid click data if you'd like to. See the section below about "Viewing invalid click data" for information on how to view invalid click data in your account.

If we find invalid clicks that have somehow escaped our automated detection in the past two months, we'll give you credit for these clicks. To view these credits for invalid clicks, click the Billing tab. Any invalid click credits you've received will be labeled "Invalid activity" on the transaction history page and will be credited to you.

If we find any invalid impressions in your account, this data won't affect the CTR used for determining your keyword's Quality Score.



### **Invalid Traffic**

### Monitoring invalid clicks yourself

- → Track invalid clicks in your account statistics:
- → Optimize your account:
- → Monitor your account with Google Analytics:
- → Monitor conversion rates on the Display Network:

# Multiple clicks from the same IP address Reasons why this happens:

- → Return Visits
- → Shared IP addresses
- → Web Server logs
- → Third-party software

### **Clicks from Google**

Some people have asked us whether they're charged for clicks originating from Google IP addresses. No need to worry about that – clicks on AdWords ads from within Google aren't charged to your account.



### **Invalid Traffic**

#### Common reasons for increased traffic

Just because you see a spike in the number of clicks or impressions in your account doesn't always mean your ads are affected by invalid traffic.

Examples of why you might see an increase in traffic:

- Changes in daily budget:
- Changes in maximum CPC for keywords:
- Adding new keywords:
- Ads are showing on new Display Network sites:
- Seasonal trends or news events:

### Reporting invalid clicks

- → If you suspect that your account is indeed affected by invalid click activity, we'll be happy to investigate your account.
- → Our team of specialists will use a variety of different signals including click and impression information to identify sources of invalid activity. Because of the large number of data points we look at, an investigation into your account may take several business days to complete. When you request an investigation, please share as much information as you have about the traffic you're concerned about.



- Account Change History
- The Keyword Tool
  - Adding negative keywords
  - Adding more keywords
- Targeting Tools
- Bidding and Budget Tools
  - Enhanced CPC
  - Conversion Optimizer
  - Automatic Bidding
  - CPA Bidding
- Adwords Editor
  - Adwords editor functions
  - Best Practices



## **Account Change History**

Your AdWords account contains a history of changes that shows what you've done in the past.

Then, if you decide the changes you've made aren't helping you achieve your advertising goals, you can roll back changes you made in the last 30 days by using the "Undo" feature.

 $\star$ 

# Learn what actions are tracked in your Change History:

- ★ Ad: Actions taken to create, edit, pause, resume, or ★ remove an ad
   ★ Budget: Adjustments to your campaign's budget, but
- not shared budgets

  \*\* Bid: Adjustments to your ad group and keyword bids
- ★ Conversions: Actions taken to create, edit, or remove conversion actions
- ★ Network: Changes to the ad network(s) your campaign is targeting

<u>Keyword</u>: Actions taken to add, pause, resume, or remove **keywords**; adjustments to a keyword-level **maximum cost-per-click (CPC) bid** or **landing page** <u>Status</u>: Actions taken to pause, resume, or remove a

campaign, ad group, keyword, or ad

Targeting: Adjustments to language and location targeting

also changes made via **automated rules**, **AdWords API**, and AdWords Editor.



## **Add Negative Keywords to your Campaign**

### Negative Keywords help you:

- reach the most interested customers
- reduce your costs
- and increase your return on investment (ROI)

### Get negative keywords idea:

You can run a search terms report to get negative keyword ideas. The search terms report will show you every search that resulted in your ad being triggered and clicked.

### With Negative keywords you can

- Prevent your ad from showing to people searching for or visiting websites about things you don't offer.
- Show your ads to people who are more likely to click them.
- Reduce costs by excluding keywords where you might be spending money but not getting a return.



## **Targeting Tools- Targeting Geographic Locations**

- AdWords location targeting allows your ads to appear in the geographic locations that you choose: countries, areas within a country, a radius around a location, or location groups.
- Location targeting helps you focus your advertising on the areas where you'll find the right customers, and restrict it in areas where you don't -- which could help increase your **return on investment (ROI)** as a result.



### **Targeting Tools- Targeting Geographic Locations**

### **Targeting the Right Locations for your Business**

Get guidance on choosing the location targets that are most appropriate for your business.

Location target	Description	Types of businesses that could benefit	Types of businesses that might not benefit
Countries	Targeting your ads to a country or multiple countries can be a good idea if you provide products and services to those large areas. Targeting entire countries allows you to receive more ad exposure than you would by targeting a few individual cities or regions within a country.	A national business serving an entire country     An online retailer shipping worldwide     An international business selling to several countries	A business that doesn't serve all regions or cities. In this case, you might target individual regions or cities instead.

Location target	Description	Types of businesses that could benefit	Types of businesses that might not benefit
Areas within a country	Consider using more precise targeting if your business doesn't serve all regions or cities, or you'd like to focus your advertising efforts on certain areas within a country. Depending on the country, you can target regions, cities, or postal codes.	A business that serves a local neighborhood     A business with special offers in selected locations     A business selling products in selected regions or cities	A business that is trying to reach most of the regions in a country, with just a few exceptions (say, all of the U.S. except for Alaska). In this case, it might be better to target the whole country, and then exclude the other areas.



## **Targeting Tools- Targeting Geographic Locations**

### **Targeting the Right Locations for your Business**

Get guidance on choosing the location targets that are most appropriate for your business.

Location target	Description	Types of businesses that could benefit	Types of businesses that might not benefit
Radius around a location	Radius targeting (also known as proximity targeting or "Target a radius") allows you to choose to show your ads to customers within a certain distance from your business, rather than choosing individual cities, regions, or countries.	A business that delivers within a selected radius     A local business whose customer base is within a radius around the business	A business that only wants to reach specific cities, regions, or countries.



### **Targeting Tools- Targeting Geographic Locations**

### **Location Groups:**

### allows you to:

- reach customers based on the types of places they visit,
- demographic information based on their location,
- or when they are at or near your places of business (based on your location extensions)

# Targeting locations by demographic or places of interest

To ensure that your ads reach the most customers, whether targeting locations

- by demographics or
- places of interest,

we recommend also targeting a broader, encompassing area.

Then you can set <u>location bid adjustments</u> for locations by demographics or places of interest.



### **Targeting Tools- Targeting Geographic Locations**

**Advanced: Targeting multiple locations in bulk** 

AdWords allows you to add a bulk list of up to 1000 location targets at a time, rather than adding each location one-by-one. We also offer tools for **bulk editing**.

How to add multiple locations targets in bulk

How to target multiple locations across campaigns

Other bulk editing option

Walkthrough



## **Targeting Tools- IP Exclusions**

You can exclude **Internet Protocol (IP) addresses** by campaign so that all ads in that campaign are blocked

- from computers and
- networks associated with those addresses.

### Why exclude by IP address:

You could exclude specific IP addresses in order to limit showing your ad on particular networks that you believe aren't likely to be used by potential customers.



## **Targeting Tools- IP Exclusions**

### Keep in mind

IP exclusions aren't available for video campaigns or any of these marketing objectives or campaign types:

- □ "Display Network only" marketing objectives
  - Install your mobile app
  - Engage with your mobile app
  - Ads in mobile apps

### **Campaign types**

- "Search Network with Display Select Standard"
- "Search Network only Standard"
- □ "Display Network only Standard"
- "Display Network only Install your mobile app"
- ☐ "Display Network only Engage with your mobile
  - app"
- "Display Network only Ads in mobile apps"



## **Bidding and Budget Tools - Enhanced CPC**

Enhanced cost-per-click (ECPC) is a bidding feature that raises your bid for clicks that seem more likely to lead to a sale or conversion on your website.

### ECPC is available on the following:

- Search Network and Display Network except:
  - campaigns that promote app downloads
- Product listing ads
  - works only on Google Search

# How does ECPC know which auctions are promising?

The AdWords system looks for patterns of clicks and conversions and compares them to your past results.

You need **Conversion tracking** turned on to use ECPC "it's where your data comes from"

#### **ECPC** will focus on either

- Conversions
- Converted clicks



## **Bidding and Budget Tools - Conversion Optimizer**

### **About Conversion Optimizer**

- The goal of Conversion Optimizer is to get you the most conversions given your cost-per-acquisition (CPA) goals. Rather than focusing on clicks (CPC) or impressions (CPM), Conversion Optimizer focuses on maximizing conversions.
- With Conversion Optimizer, you set a target cost-per-acquisition (target CPA), which is the average amount you'd like to pay for a conversion.
- Conversion Optimizer will focus either on conversions or converted clicks depending on the conversion bid metric that you choose on your conversion settings page.



### **Bidding and Budget Tools - Conversion Optimizer**

### **How Conversion Optimizer Works**

Using historical information about your campaign, Conversion Optimizer automatically finds the optimal equivalent CPC bid for your ad each time it's eligible to appear. You still pay per click, but you no longer need to adjust your bids manually to reach your conversion goals.

### **Requirements for Conversion Optimizer**

You'll need to meet the following requirements to begin using Conversion Optimizer:

- Your campaign uses AdWords Conversion Tracking or cross-account conversion tracking, or is importing data from Google Analytics.
- The campaign should usually receive at least
   15 conversions in the last 30 days.



## **Bidding and Budget Tools - Using Automatic Bidding**

Automatic bidding allows you to put your bidding on autopilot with the goal of getting the most possible clicks within your budget.

Automatic bidding is the simplest of the AdWords bidding strategies.

You don't need to specify individual bids for your keywords, ad groups, or placements. Instead, you set a daily budget, and AdWords will help adjust your **cost-per-click (CPC)** bids to receive the most possible clicks within your budget.

### **CPC Bid Limits your Campaign**

It isn't possible to set individual CPC bids with automatic bidding, but you can set a maximum CPC bid for your entire campaign. This maximum CPC bid, known as the CPC bid limit, allows you to control the maximum amount you're willing to pay for each click.



## **Bidding and Budget Tools - CPA Bidding**

### **Cost-per-Acquisition (CPA) Bidding**

- Is a bidding method that lets you tell AdWords the amount you're willing to pay for a conversion.
- CPA bidding can help you reach customers who are likely to take action on your website.
- It's part of Conversion Optimizer.

CPA bidding focuses on maximizing conversions, rather than clicks.

#### **How it Works**

You can use CPA bidding by setting up **conversion tracking** and turning on **Conversion Optimizer** for your campaign. When setting up Conversion Optimizer, you set a target CPA. This is the average amount you'd like to pay for a conversion.



## **Bidding and Budget Tools - CPA Bidding**

### THe final amount you're charged

Your actual CPA may be above or below your target CPA. This is because:

- → Your actual CPA depends on factors outside Google's control, like changes to your website or ads or increased competition in ad auctions.
- → Your actual conversion rate can be lower than the predicted conversion rate.



### **Adwords Editor**

#### **About Adwords Editor**

- ★ AdWords Editor is a free, downloadable application for managing your AdWords advertising campaigns.
- ★ The basic process is simple: download one or more accounts, make changes offline, then upload the changes to AdWords.
- ★ AdWords Editor can help you save time and make it easier to make changes in bulk.

### What can you do with Adwords Editor

#### You can:

- ★ Use bulk editing tools to make multiple changes quickly.
- ★ Export and import files to share proposals or make changes to an account.
- ★ You cannot view statistics for all campaigns or a subset of campaigns.
- ★ Manage, edit, and view multiple accounts at the same time.
- ★ Search and replace text across ad groups or campaigns.
- ★ Copy or move items between ad groups and campaigns.
- ★ Undo and redo multiple changes while editing your campaigns.
- ★ Make changes in draft before uploading them to your account.
- ★ Keep working even when you're offline.



- Introduction to Adwords Reporting
  - Exploring your data
  - Customizing your data
- Interpreting Adwords Reports
  - Evaluating performance on the search network
  - Measuring keyword performance
  - Measuring geographic performance
- Additional Performance Insights
  - Using auction insights
  - Using segments to view performance data
  - Understand search terms report

- Optimizing Performance
  - Campaign experiments
  - Opportunities tab
  - Ad scheduling
  - Dynamic keyword insertion



### **Introduction to AdWords Reports**

### **Introduction to Adwords Reports**

Generate fully customizable reports on specific topics such as campaigns, keywords, and ad text. These reports let you identify important trends over weeks, months, or years. And because each report can be customized with configurable columns and performance filters, they provide just the information you need to help you identify your strengths and areas of low performance.



### **Introduction to AdWords Reports**

### **Report Types:**

You can download any data table on each of the tabs in your account to generate reports.

Customize the table using columns, segments, and filters, so that the report contains just the data that you want to see.

# Here are some of the most frequently used reports:

- Keyword performance: The table on the Keywords tab displays details on selected keywords and organizes statistics by keyword.
- Ad performance: The table on the Ads tab presents relevant statistics for ad variations, such as text ads, image ads, video ads, and local business ads.



## **Introduction to AdWords Reports**

- Landing page URL performance: The "landing page URL" view on the Dimensions tab displays statistics and measures the performance of landing page URLs.
- Ad group performance: The Ad groups tab shows statistics for each of your ad groups.
- Campaign performance: The Campaigns tab shows statistics for each of your campaigns.
- Account performance: The views on the Dimensions tab display statistics for your entire account.

- Geographic performance: The "Geographic" view on the Dimensions tab shows the geographic origin of your visitors.
- Search term performance: The Keywords tab shows performance data for the search terms that triggered your ads.
- Product Listing Ads performance: The Auto Targets tab shows performance data for Product Listing Ads.
- Dynamic Search Ads performance: The Auto Targets tab shows performance data for Dynamic Search Ads.
- Performance per label: The views on the Dimensions tab display statistics per label.



### **Introduction to AdWords Reports**

- ❖ Time segmentation: The views of the dimension tab show statistics per time period: Hour, day, week, month, quarter, year and per day of the week.
- Auction insights: The Keywords tab shows performance data for a specific keyword compared with other advertisers who competed in the same auctions.



### **Explore your Data on the Campaign Tab**

- The Campaigns tab is your first stop for understanding the performance of your ads.
- ❖ You can track campaign statistics or view specific data for ad groups, ads, or keywords.
- You can customize the way your data is displayed.

#### Introducing the Report Tool

Is an analytical tool that allows you to engage with your data through multi-dimensional tables and charts

★ A simple drag-and-drop interface lets you quickly build and manipulate multi-dimensional tables and charts, reducing the need to download your data for deeper analysis.

★ Multi-segment analysis lets you slice and dice your data with finer granularity in your tables and charts.

All online campaigns

- **Custom charts** let you quickly visualize the patterns and trends in your data.
  - Advanced filtering and sorting allow you to filter on segmented metrics (e.g., mobile clicks) and sort by multiple columns.



## Here's an Overview of What you'll find on each subtab:

### 1. Campaign

The **Campaigns** subtab is a great starting point for analyzing the performance of your campaigns.

### 2. Ad Groups

Use the **Ad groups** subtab to see how your individual ad groups are performing.

### 3. Settings

The **Settings** subtab lets you adjust settings that affect an entire campaign.

#### 4. Ads

Use the **Ads** subtab to view data about each individual ad in your account.

### 5. Keywords

The **Keywords** subtab is a one-stop keyword management shop.

#### 6. Ad extensions

Ad **extensions** help people easily find out more about your business and its offerings by providing additional information such as an address and phone number, more page links, and product images.



### Here's an Overview of What you'll find on each subtab:

#### 7. Dimensions

The **Dimensions** subtab lets you slice and dice your data by the dimension of your choice across an ad group, a campaign, or your entire account.

### 8. Display Network

The **Display Network** subtab is where you can manage your display campaigns and see performance data about your ads on the **Display Network**.



## **Customize your Performance Data**

By adjusting date ranges, columns, segments, filters, and graphs, you can customize the performance data in your **statistics table** to see only what interests you, making campaign maintenance faster and easier.

#### **How To**

- Add or remove columns that display statistics
- Apply segments to break down your data
- Use filters to search your data
- View or hide removed items
- View performance summary graphs



## **Evaluating Ad Performance on the Search Network**

Tracking statistics like **clicks**, **impressions**, and **clickthrough rate** is a great way to start. It's also important to think about what you're trying to accomplish with your campaign, so you can focus on the statistics that can help you achieve your goals.

You may also want to keep an eye on the following information about your ads and keywords:

- ★ Ad Performance
- ★ Keyword Performance
- ★ Track statistics based on your Campaign Goals
- ★ Track Statistics for mobile ads on high-end devices



### **Ad Performance**

**Status:** In the "Status" column of the statistics table on your Ads tab, you can see whether each of your ads is running.

**Average position:** Look for the "Average position" (Avg. pos.) column in the statistics tables on your account tabs to find out exactly where your ad is appearing on Google's search results page. Positions one through 10 usually appear on the first page of search results.

**Ad Variation:** If you have more than one ad in an ad group, your ads will be rotated and take turns showing. By comparing the performance of your different ads, you can find out what your customers find the most compelling.



## **Keyword Performance**

**Keyword status**: The Status column of the statistics table on your Keywords tab tells you whether each of your keywords is triggering ads to run.

Quality Score: This column helps you monitor the Quality Scores of your keywords.

**Search terms:** You can see the actual search terms that drove traffic to your ads on your Keywords tab.



### **Search Funnel Report**

The search funnel report documents a searcher's entire path to conversion. Sometimes the path is just one query long. Other times it's an entire series of keywords and queries.

AdWords Search Funnels are a set of reports describing the ad click and impression behavior on Google.com that leads up to a conversion. In addition to a Top Conversions report, Search Funnels consist of 7 reports including Assisted Conversions, First and Last Click Analysis, Time Lag, and Path Length.

Search funnel data can be found in three locations:

- 1) The Adwords interface, by adding in the assisted clicks, impressions, & conversions columns,
- 2) Google Analytics.



### Track Statistics Based on your Campaign Goal

#### Return on investment:

To identify your ROI, you first need to measure conversions, which are customer actions that you believe are valuable, such as purchases, signups, web page visits, or leads.

> Brand Awareness: to raise awareness and visibility of your product, service, or cause.

Important metrics that show whether your branding campaign is successful:

- **★** Impressions
- ★ Customer Engagement, you can use clickthrough rate
- ★ Reach and frequency:
- Traffic to your website:
  - Clicks and Clickthrough rate (CTR)
  - Keywords
  - Search Terms



### **Track Statistics Based on your Campaign Goal**

#### > Sales and Conversion

conversion occurs when someone clicks on your ad and performs a behavior on your website that you recognize as valuable, such as calling your business from a mobile phone or making a purchase on your website.

- ★ Number of conversions and cost-per-conversion:
- ★ Conversion rate:
- ★ Keyword conversion data: conversion tracking shows you what happens *after* a customer clicks on your ad -- whether he purchased your product or signed up for your newsletter.
- ★ See how customers interact with your ads across devices:
- ★ Landing pages:



### Track Statistics for Mobile Ads on High-end Devices

Use the Segment button to see the data in your campaign segmented by device. This allows you to compare statistics such as clicks, impressions, CTRs, or conversion rates for desktop computers and high-end mobile devices.



### **Measuring Keyword Performance**

you probably want to review your keywords' performance to see which ones are helping you meet your advertising goals for your campaigns

#### To do so:

- you can view and download your keyword performance from a specific time period
- Use specific segments, columns or filter to track keyword statistics
  - Segments: Split your data into rows by the options you select (such as date, click type, or device).
  - Columns: Add specific types of data to your statistics table.
  - > **Filters:** Search for statistics you'd like to see.



### **Measuring Geographic Performance**

- View your ads' geographic performance to better understand how your ads are doing in different locations.
- Location reports in AdWords can show the places where your customers are physically located, or the locations they showed interest in.
- If you use location extensions, you can use the distance report to see how your ads performed in varying distances from your business.



### **Measuring Geographic Performance**

#### **Geographic and User Locations Reports**

You can view data from two different types of location reports:

- What triggered your ad (geographic): Shows your customers' physical locations, or locations that they had shown interest in through searches or content they had viewed.
- Where your users were (user location): Shows only your customers' physical locations, regardless of any locations they may have shown interest in.

#### **Distance Reports**

Distance reports let you see your campaign performance within a radius around your business (from .7 to 40 miles and .7 to 65 kilometers).



### **Additional Performance Insights - Using Auction Insights**

The Auction insights report lets you compare your performance with other advertisers who are participating in the same **auction**s that you are.

### **Auction Insights Statistics**

The Auction insights reports are different for Search and Shopping campaigns.

- → The Auction insights report for Search campaigns provides 6 different statistics: impression share, average position, overlap rate, position above rate, top of page rate, and outranking share.
- → The Auction insights report for Shopping campaigns provides 3 different statistics: impression share, overlap rate, and outranking share.



### **Additional Performance Insights - Using Auction Insights**

#### **Description of the Auction insights statistics:**

Average position (Search campaigns only)

Average position is a quick way to gauge how high your ads are ranking compared with those of other advertisers competing in the same auctions. Average position is the average rank of the ad in the auctions, which determines the order of the ads on the search results page.

#### Impression Share

Impression share is the number of **impressions** you received divided by the estimated number of impressions you were eligible to receive.

#### Overlap rate

Overlap rate is how often another participant's ad received an impression when your ad also received an impression.



### **Additional Performance Insights - Using Auction Insights**

#### **Description of the Auction insights statistics:**

Position Above Rate (Search Campaign Only)

Position above rate is how often the other participant's ad was shown in a higher position than yours was, when both of your ads were shown at the same time.

Top of page rate (Search campaigns only)

Top of page rate tells you how often your ad (or the ad of another participant, depending on which row you're viewing) was shown at the top of the page, above the unpaid search results.

#### Outranking share

Outranking share is a percentage defined as the number of times your ad ranked higher in the auction than another participant's ad, plus the number of times your ad showed when theirs did not, divided by the total number of ad auctions you participated in.



### **Additional Performance Insights - Use Segments to View Performance Data**

Use **segments** to split your data into rows based on the options that matter most to you, such as periods of time, click type, or device. This makes it easier to view the data by isolating exactly what you want to see.

#### **Available Segments:**

### **★** Click Type

Use this segment to see which clicks resulted in visits to your website, or clicks on your phone number when your ad is shown on a mobile device (also called click-to-call).

#### **★** Conversions

If you've set up Conversion Tracking on your website, the segments "Conversion action name" and "Conversion tracking purpose" can give you insight into conversion performance by individual action or conversion type.



### **Additional Performance Insights - Use Segments to View Performance Data**

#### **Available Segments:**

#### **★** Device

Use this segment to compare performance across devices: computers, mobile devices with full browsers, and tablets with full browsers.

### **★** Experiments

If you're running a Campaign Experiment, you can segment your data by experiment or control groups, or both, on the Keywords, Ads, or Ad group tabs.

### **★** Keyword/Placement

Use this segment to compare how individual keywords are performing for particular ads.

This segment is available on the Ads tab only.



### **Additional Performance Insights - Use Segments to View Performance Data**

#### **Available Segments:**

#### **★** Network:

Use this segment to compare Google search and Google Display Network performance. This is frequently used to compare individual ads on the Ads tab.

### **★ Network** (with search partners)

Use this segment to compare Google search, search partners, and Google Display Network performance.

### **★** Search terms match type

Segmenting a keyword by search terms match type can help you understand how actual search terms relate to the keyword you have. This type of segment can show you how your keyword performs in its broad, phrase, and exact matches.



### **Additional Performance Insights - Use Segments to View Performance Data**

### **Available Segments:**

### **★** Special Category:

The "Special category" segment is available when you download a report for your **automatic placement** performance on the Google Display Network. It displays two types of pages that have shown your ads: **error pages** and **parked domain** sites.

#### **★** Time

Use this to split your statistics table into rows based on the period of time you select.

### **★** Top Vs Other

Apply the "Top vs. Other" segment to your statistics tables to find out where your ad appeared on Google's search results pages and search partners' pages



### **Additional Performance Insights - Understanding the Search Terms Report**

Use the Search terms report to see how your ads performed when triggered by actual searches within the **Search Network**.

#### Using Search Terms Report you can:

- Identify new search terms with high potential, and add them to your keyword list.
- > search terms that aren't as relevant to your business, and add them as negative keywords.

#### What's the difference between a search term and a keyword?

- A search term is the exact word or set of words a customer enters when searching on Google.com or one of our Search Network sites.
- A *keyword* is the word or set of words AdWords advertisers create for a given ad group to target your ads to customers.



### Additional Performance Insights - Understanding the Search Terms Report

#### Manage your Keywords based on Search Terms data

Use your search terms data to make changes to your keywords that can have a positive impact on your performance. Here are some ideas:

- ★ Add high-performing search terms to your ad group as keywords. Consider adjusting your bids as well, since search terms appearing in the search terms report are already receiving traffic.
- ★ If a search term isn't relevant enough to the products or services you offer, add it as a negative keyword instead.
- ★ Select the correct match type (e.g. broad, phrase, exact, or negative) for existing keywords.



### **Optimizing Performance- Campaign Experiments**

AdWords Campaign Experiments allow you to test changes to your account on a portion of the auctions that your ads participate in.

#### **How Campaign Experiments work**

When you create an experiment, you decide what sort of change you want to test. Then, you decide what percentage of your auctions should have this experimental change.

After the experiment has been running for a short while, you can view the results in the same table you use to view performance for your campaigns and ads. These tables will also tell you if your experimental changes are performing significantly better or worse than the ads without changes.

#### **Cost of Campaign Experiments**

While Campaign Experiments don't cost anything to enable, experiments are treated as changes to your account and will be billed like any other campaign.



### **Optimizing Performance- Campaign Experiments**

# Common Goals and Elements of Campaign Experiments

While your experiment goal will depend on your business, some common goals for advertisers include:

- Increasing conversions
- ☐ Increasing clicks or impressions
- ☐ Improving return on investment
- Improving campaign quality
- Improving ad text

To experiment with these goals, here are some things you can test:

- New keywords
- New ad text
- New ad groups
- Negative keywords at the ad group level
- Most keyword match types
- ☐ Ad group default bids, including max CPC
- ☐ Keyword insertion



### **Optimizing Performance- Opportunities Tab**

### What is Opportunities Tab?

- Get more out of AdWords with the Opportunities tab an entire section dedicated to helping you improve your campaigns.
- Think of the tab as a personal assistant who customizes opportunities for your account. It can help you discover new keywords, improve your bids and budgets, and more.
- People who've managed their AdWords account long enough to have developed some performance history should try the tab.



### **Optimizing Performance- Opportunities Tab**

### **How the Opportunities Tab works**

the Opportunities tab looks at your account's performance history, your campaign settings, and Google search volume and trends, and automatically generates opportunities that could improve your performance.

#### What the Opportunities tab helps you do

- → See performance estimates based on historical data
- → Make improvements without spending a lot of time
- → Keep your campaigns fresh



### **Optimizing Performance- Ad Scheduling**

#### You can use custom campaign to:

- Specify certain hours and/or days of the week when you want your ads to show
- Set bid adjustments to increase or decrease your bids for specific days and times

#### Set an Ad Schedule Bid Adjustment

You can set bid adjustments for specific **days and times** in the Ad schedule subtab in your campaign settings. If you also opt to set bid adjustments for mobile devices and locations, all of your adjustments will be multiplied together to determine the resulting bid adjustment.



### **Optimizing Performance- Keyword Insertion**

Use keyword insertion to update your ads with the keywords that caused them to show.

### **How Keyword Insertion works**

Let's say you're advertising a chocolate shop. You could use a keyword insertion code in your ad headline:

Headline: Buy {KeyWord:Chocolate}

Person searches for:	Your ad could look like:
dark chocolate bar	Buy Dark Chocolate www.example.com Artisan candy from San Francisco Free shipping orders \$50 more

sugar free chocolate	Buy Sugar Free Chocolate www.example.com Artisan candy from San Francisco Free shipping orders \$50 more
gourmet chocolate truffles	Buy Chocolate www.example.com Artisan candy from San Francisco Free shipping orders \$50 more



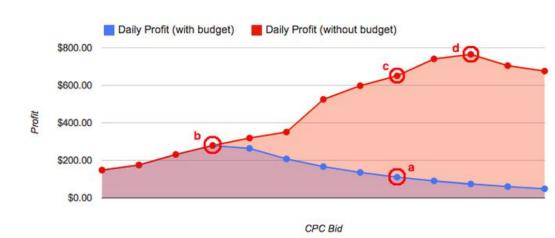
- → Understanding Impact of Budget
- → Scaling Budget by Performance
- → Performance-based Bidding
- → How to Estimate Conversion Value



### **Understanding Budget Impact on Profit**

The graph below illustrates the impact of budget limitations on a profitable campaign, and why it often makes sense to optimize budgets before CPC bids.

- ★ Point (a): A sample starting point; profit is missed due to limited budget
- ★ Point (b): Profit possible by optimizing CPC bids within a limited budget
- ★ Point (c): Profit achieved by optimizing budgets first
- ★ Point (d): Maximum profit achieved by optimizing CPC bids after budget





### **Scaling Budget by Performance**

With this combination of measurability and control, many businesses may opt for a flexible marketing budget that scales upward with good performance. Think about a campaign that returns \$2 in profit for each \$1 in advertising spend. If the business can handle more customers, it makes sense to increase budget to a point where it captures all of the profitable traffic available.

**Best Practice:** Even for campaigns that are scalable by performance, we recommend setting your AdWords daily budget at a level low enough to limit your spending if something unexpected happens, like a sudden shift in traffic quality of one of your keywords due to a news event.



### **Scaling Budget by Performance**

A campaign that scales by performance can work for many advertising goals, including:

- ★ Selling goods or services directly via an e-commerce site
- ★ Generating leads for a sales team
- ★ Driving signups for a monthly subscription service

Campaigns that scale with performance usually meet the following conditions:

- ★ You can estimate your conversion value (e.g., you make an average of \$50 profit per sale)
- ★ You understand how much time is needed before profits will be available to reinvest (e.g., you know that sales leads convert to deals in 3-5 weeks)
- ★ Your costs of servicing new customers remain stable or decrease as you grow (e.g., the more customers you gain, the lower the costs of supporting each new customer)



### **Scaling Budget by Performance**

Here are some conditions that can make it more difficult for a campaign to scale with performance:

- You have high fixed costs that make it difficult to estimate the profit value of a conversion (e.g. significant manufacturing costs)
- > You have supply or customer service limitations (e.g., you can't serve additional customers if you grow)
- You have cash flow limitations (e.g., you have a \$100 CPA for new signups worth \$500 over 5 years)
- You have sales tracking limitations (e.g., most of your sales are difficult to track because they're offline)



### **Performance-based Bidding**

When your campaign is focused on performance, it's important to understand how adjusting your bids impacts each performance metric.

Given that conversion rates don't vary much with ad position, the following trends are important to remember:

- Increasing bids generally results in more conversions at a higher average cost-per-acquisition (CPA).
- Decreasing bids generally results in fewer conversions at a lower average CPA.
- Increasing bids while limited by daily budget generally results in fewer conversions at a higher average CPA.



### **Performance-based Bidding**

In order to achieve your goals most effectively, it's helpful to prioritize your business objectives. You can optimize your AdWords campaigns to achieve many different goals, but tradeoffs are often necessary.

For example, consider managing a campaign with the following objectives:

- ★ Aim for ad positions 1-3
- ★ Maximize profit
- ★ Maximize conversions
- ★ Maximize clicks

As another example, consider pairing any of the objectives listed above with the objective below:

★ Keep CPA below \$10



### **How to Estimate Conversion Value**

When estimating value-per-conversion, it's often strategic to factor in things like:

- repeat business,
- word-of-mouth, and
- lifetime customer value.

Example: fictional business-to-business machinery company named Example Machines to see how this works.

#### Short-term conversion value

- → Average deal revenue: \$3,000
- → Profit margin: 45%
- → Leads that convert to a deal: 20%
- → Value-per-conversion (short-term): \$270 (\$3,000 \* 45% \* 20%)



### **How to Estimate Conversion Value**

### Factoring in word-of-mouth

Example Machines has data showing that for each customer they usually gain 15% in additional business through word-of-mouth. Here's how we factor that in:

- Value-per-lead (short term): \$270
- Gain from word-of-mouth: 15%
- Value-per-conversion (+word-of-mouth): \$310.50 (\$270 \* 115%)

Note that we multiply by 115% instead of 15%. This is because we are amplifying a gain as opposed to a loss.



### **How to Estimate Conversion Value**

#### **Factoring in lifetime customer value**

Lastly, Example Machines knows that each new customer makes repeat purchases worth approximately \$5,000 in revenue over their lifetime. It's easiest to factor this into initial deal value.

- Average deal revenue: \$3,000
- Repeat business over lifetime: \$5,000
- Profit margin: 45%
- $\rightarrow$  Lifetime profit-per-customer: \$3,600 = (\$3,000 + \$5,000)\*(45%)

Then we can factor back in how many leads convert to a deal and word-of-mouth gains:

- Lifetime profit-per-customer: \$3,600
- Leads that convert to a deal: 20%
- Gain from word-of-mouth: 15%
- > Lifetime value-per-conversion: \$828.00 = (\$3,600 \* 20% \* 115%)



### **How to Estimate Conversion Value**

Let's assume 5% of clicks convert to a sales lead and see how this affects our value-per-click:

- Value-per-click (short term): \$13.50 = (\$270.00 \* 5%)
- Value-per-click (+word-of-mouth): \$15.53 = (\$310.50 \* 5%)
- Value-per-click (lifetime): \$41.40 = (\$828.00 \* 5%)

#### **Choosing your conversion value**

It's important to use a method that makes sense for your business and advertising objectives.

- > Short-term conversion values can be useful when you want to maximize immediate profit or customer acquisition as cash flows allow
- Lifetime conversion values can be more useful when trying to maximize long term growth.



### Phase: API

### **Adwords Application Programming Interface (API)**

The Google AdWords API lets developers build applications that interact directly with the Google AdWords server. With these applications, advertisers and third parties can more efficiently and creatively manage their large or complex AdWords accounts and campaigns.

#### How you can use the API

#### Using the APi, you can

- Automatically generate keywords, ad text, landing pages, and custom reports.
- Integrate AdWords data with your inventory system to manage campaigns based on stock.
- Develop additional tools and applications to help you manage accounts.



### Phase: API

### **Benefits and Language**

#### **AdWords API benefits**

With the AdWords API, you can employ programs that help you interact with your AdWords account more efficiently.

Depending on your programming talents and advertising needs, the possibilities are practically limitless.

Some possibilities include:

- ★ Generating automatic keyword, ad text, URL, and custom reports
- ★ Integrating AdWords data with other databases, such as inventory systems
- ★ Developing additional tools and applications to help you better manage AdWords accounts



### Phase: API

### **Adwords API Sandbox**

#### **AdWords API Sandbox**

The sandbox is a testing and development environment that replicates the functionality of the AdWords API web services. You can use the sandbox to:

- ★ Develop and test applications without spending API units (calls made in the sandbox are free)
- ★ Test logic that would modify your AdWords campaigns (changes in the sandbox never affect live campaigns)
- ★ Develop an AdWords API client library without having an AdWords account (using the sandbox only requires a Google account)
- ★ Develop against new or changed AdWords API methods before the changes go live on the production service

### "Thank You"

