AdWords : A Study of Usage and Tools

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Abstract: In today's world, marketing your product such that relevant users, who are potential customers to you, can see your ads and product quality, is a must. Google is the world's largest search engine, with over 80% users using it on daily basis to search for their queries. The next largest is Yahoo, which is Google Partners. AdWords is a Google product allowing any individual or company, reach these masses by showing their ads to the users searching for similar items or services. Hence, the users and sellers are equally happy. This paper gives a detailed idea about exactly what AdWords is, how it functions and what are the various tools it provides to help one optimize their ad's clarity and who they are shown to.

Keywords: Marketing, AdWords, Google, Advertisements, CPC, CTR, CPM

INTRODUCTION

The main goal of Google AdWords [1]: to show relevant ads besides relevant content. There are many benefits of using AdWords as opposed to more conventional marketing methods, such as posters, banners newspapers, social media etc. These benefits include:
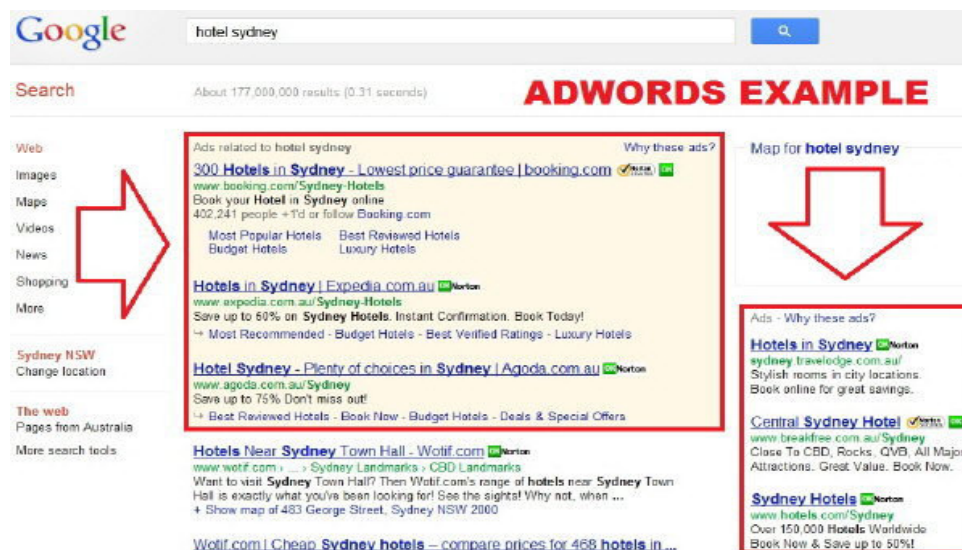
1) Reach people at the PRECISE instantthey are looking for a product or service similar to what you offer.

2) Control your budget on a monthly or even daily basis

3) Easily analyze the ad and response it is getting from viewers.

For instance, if you are a small scale baker, located in a city, who would like to be well known for his fresh baked bread, there would be no requirement to advertise your bakery to people located outside your city or outside nearby cities. Moreover, you can decide how much you want to spend on ads each day, based on every day earnings. The easy access reports of number of clicks your ad is getting can be easily analyzed by the reports provided by AdWords as well. Hence all marketing related functionalities are easily accessible through AdWords, with the added benefit of real time ads shown to users.

FUNDAMENTALS

Before one can understand in detail about AdWords and how to use it, certain keywords must be understood.

- Results page: The screen showing the results of the user's query in Figure 1.

Figure 1: AdWords Placement

- Placements: Where your ad is positioned on the search results page of the search engine. There can be up to three top ads and up to seven side ads per results page.
- Ad Rank [2]: The amount of money in dollars, you bid for an ad plus your ads quality score, gives your Ad Rank. Based on this number, your ads position is determined on the results page. In the end, advertisers pay only the minimum amount of money to maintain their position, after the auction.
- Search Phrases: The words or string of words used by the user to search for desired product or service. They show the essence of the search.
- Campaigns: Unique messages, keywords or phrase one feels the user will enter, when searching for their product.
- Targeting Methods: Conditions which show your ad, when satisfied.
- Impressions: Number of presences your ad makes on an app or website.
- Average Cost Per Click (CPC): The average amount paid when someone clicks on your ad, Average CPC=Cost/Click
- Landing Page: The web page to where your customer is taken when they click on your ad.
- Click Through Rate [3]
- Quality Score [4]: CTR + relevance of ad + landing page

THE AUCTION

Google AdWords [5] is a marketing tool, helping buyers reach the sellers and vice versa, based on the product in interest to both. Every time a user enters keywords or queries on the Google Search engine or one of its partner search engines, an auction is triggered. In the auction, the seller ads are compared. The ads with the highest ad rank are placed at the top of the results page and all subsequent ads are arranged accordingly.

An auction takes place every time a search query is entered.

BIDDING TYPES

You can pay for the services proved by AdWords in one of the following methods:

1. Cost Per Click (CPC) [6]: Amount is to be paid every time an ad is clicked. This is of two type: Manual and Automatic. Automatic is used when there is sufficient data of user response of ads in that campaign.

2. Cost Per Acquisition (CPA): Amount paid every time conversion is made at your website

3. Cost Per Thousand Impressions (CPM): Amount to be paid every time ad is shown to 1000 unique users. This method is used especially for branding purposes.

AD DELIVERY AND AD ROTATION

Based on the following, you can choose how quickly or slowly you would like to use your budget [7] and show your ads: (ad delivery)

1. Standard Delivery: This is the method set by default. This distributes your budget throughout the day at even time intervals to avoid exhausting your budget early on.
2. Accelerated Delivery: This method uses you budget as quickly as possible and shows your ads most aggressively until your budget runs out. (from 12am onwards)

Many a times we may have more than one ad per ad groups, and we may want those ads to be rotated in a certain manner. For this we have ad rotation.

1. Optimize for Clicks: These ads are expected to provide more number of clicks, more often into the ad auction than on other ads in the ad group.
2. Optimize for Conversions: Here the ads expected to provide more number of conversions are brought more often to the results page than others of that ad group. This is decided based on past history and user cookies.
3. Rotate Evenly: This allows us to deliver ads evenly into the ad auction.
4. Rotate Indefinitely: This delivers ads evenly without and 90 day time constraint.

If ads are unchanged for 90 days, the campaign will automatically begin to optimize for clicks or conversions. Rotation period is tracked separately for each ad group.

Frequency Capping limits the number of times your ads appear to the same unique user on the Google Display Network. This can be set for each ad, ad group or even campaign.

SEARCH NETWORK

The Google search network [5] [8] consists of the results page of any search query entered in the Google Search Engine or any partner search engine such as Yahoo.

A. Ad Formats

- Text Ads: Include clickable link to webpage, one or two lines of text, promotion or product description
- Sometimes shown as "sponsored links"
- Format:

HEADLINE   Advertise with Google
DISPLAY URL   adwords.google.com
DESCRITPTION   Want fast results?
                      Create your campaign today!

B. Mistakes Made in Promotions

- Do not use promotional codes with consecutive zeros
- Do not Capitalize entire words
- Do not use double exclamations
- Do not use symbols or shapes

C. Dynamic Search Ads

- Ads diff in that they don't use keywords to compare, but instead use your website content
- These ads are automatically generated
- Format:

HEADLINE (dynamic)   Advertise with Google
Ad Template (you write) www.adwords.google.com
                      Want fast results?
                      Create your campaign today!

D. Extensions

- Location Extensions
- Call Extensions
- Sitelinks
- Social annotations (G+, FB Twitter)
- Seller Ratings
- App Extensions
- Offer Extensions

E. Invalid Traffic Handling

Invalid traffic refers to clicks and impressions on AdWords ads that isquestionable are not of customer interest. Such traffic occurs by automated tools or accidental clicks. AdWords doesn't charge for such invalid clicks as they are of little or no value.

DISPLAY NETWORK

The display network [5] [9] is a collection if partner websites and pages connected to Google. The display network helps us to:

- Reach new customers
- Select where our ads appear
- Engage users with appealing ad formats

A. Types of ads on display network:

- Text Ads: Most basic ads. Not usually used now a days
- Image Ads: Graphical ads which can be static or animated

- Video Ads: Most viewed and efficient and can be directly uploaded onto your account or you may use a third party server
- Rich Media Ads: These allow you to actively engage with users and can be a combination of a few or all of the above.

Display Ad Policies:

Promoting violence, drugs or copy righted material is strictly prohibited and such material is not permitted to appear. Moreover mimicking computer functions is banned and all ads must be approved as family safe.

B. Important Campaign Features

- Remarketing: This feature allows you to reach customers who have already shown interest in your product or service before. You can also customize the message you send them. This is possible with the help of cookies.
- Keyword Contextual Targeting: Contextual targeting matches keyword targeted ads to the Google display network.
- Placement Targeting: These ads will show up on handpicked sites located on the display network.
- Bid Management: Ads on Display Network, but would like to increase or decrease a bid for specific placements based on ad performance.
- Topic Targeting: Customers may be interested only on certain topics and for that we use this option.

We can also use Placement + Topic or Keyword + Topic targeting.

C. Bid Adjustments

This represents the percentage change in your bids. By increasing or decreasing these, you can gain more control as to where your ads appears. Ad group level bid adjustments can range from -90% to +900%. For mobile devices, it can range from -90% to +300%.

D. Types of Conversions

1. Conversions 1 per Click
Conversions of this type counts a conversion for every AdWords click resulting within your chosen conversion window.

2. Conversions Many
This counts every conversion made after an AdWords click within a chosen conversion window.

TOOLS
A. Keyword Tools [10]
Adding negative keywords can help you reach the more interested customers, reduce your costs, and increase your return on investment (ROI). Negative keywords prevent your ad from showing to users who search for things your website does not offer. It also helps reduce cost by excluding these keywords which would unnecessarily add to your costs.

B. Targeting Tools
These tools allow you to target ads to geographic locations, by countries, areas within a country or by radius from your chosen location. This works by targeting based on IP Addresses. You may even exclude specific IP Addresses.

C. Bidding and Budget Tools [11]
They are as follows:
1. Enhanced Cost Per Click (ECPC): This is the bidding feature allowing you to raise bids more aggressively for potential customers who you feel are more likely to give you a conversion or click on your ad based on user data history and cookies. This raises your maximum CPC by up to 30%.
2. Conversion Optimizer: The goal of Conversion Optimizer is to get you the most conversions given your CPA goals, rather than concentrating on CPC or CPM.

D. Trouble Shooting Tools

Fixed a Disapproved Ad: Ads which are not approved by AdWords are tagged as Ads Disapproved, and you will also get an email regarding the same. The email will contain the reason for disapproval, and a link to the policy which it violated will be sent as well.

CONCLUSION

AdWords is thus a very effective tool, which not only helps you reach the masses with your ads, but also allows you to effectively manage your campaigns and organize your advertisements. It is the next step in bringing your company's service or product to all, disregarding your location, language or time zone.

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