# hanapin
## marketing

*Guide to Google AdWords*

*Beginner Edition (Revised)*

Data Driven Reach. Human Driven Impact.

# *Guide to Google AdWords*

## Starting in PPC

So you've taken the plunge into PPC. Welcome to the club! There is a lot that goes on in PPC. Luckily for you it is also one of the most open communities when it comes to sharing. If you run into any problems, you can quickly find help through forums, twitter, or the multitude of great PPC blogs.

This paper will focus mostly on Google AdWords, the largest PPC platform, but the same concepts are applicable across the other platforms as well. By the end of this article, you will feel comfortable with common terminology and concepts.

## How PPC Works

PPC stands for pay per click. You may also see it attributed as cost per click. This advertising model charges the advertiser when the ad is clicked, not when the ad is shown.

If a user sees an ad but does not click it, the advertiser isn't charged. This allows advertisers to optimize ads around getting clicks and specific actions rather than buying advertising space in bulk and hoping for the best.

In AdWords, ads are chosen in an auction system. Each competitor sets bids for certain search terms. Google runs an auction for each query and displays the ads of the winners in order of their standing (based on the bids and relevance).

The ads are sorted by Ad Rank. Ad rank is simply the quality score X bid. The quality score is a metric derived solely on Google's end, and rates the ads on the relevancy factors. So, advertising towards relevant users could actually be cheaper; a higher quality score means a lower bid, which means you could win the auction with a cheaper bid.

PPC is a data heavy field and built around optimization. The ad platforms collect data on the associated metrics, allowing you to optimize your account as needed to increase your sales, decrease your non-converting spend, and get more bang for your buck.

# What is in an Account?

There are only a few primary pieces to an AdWords account. Each piece is pretty simple and the biggest learning curve will come with organizing and putting the components together.

### CAMPAIGNS

The highest-level grouping is the campaign. Each campaign has its own settings, budget, and organization. You could devote certain campaigns to specific themes or geographic areas. The choice is up to you. There are no hard rules for how many campaigns you should have either. Don't worry about creating new ones for special promotions or just to try something new. You won't run out of them and you can stop them at any time.

One of the biggest uses for campaigns is to group selected ad groups that target specific user segments. Grouping ad groups could entail a campaign for basketball shoes, another for baseball cleats, and a third campaign for casual shoes. This eases the burden on the manager, as they can quickly find and access the relevant parts of their account.

### AD GROUPS

Ad Groups are the smaller containers that exist within each campaign. They are called ad groups because they contain a group of keywords that trigger the same group of ads.

This ad group structure can be more important than campaign structure. Ad groups should be more tightly tailored to themes in keywords and ads. This not only helps your relevancy in the eyes of Google, but also ensures that your ad copy is targeted towards the correct searchers. You wouldn't want to show the same ad to users who search for basketball shoes as you do for users searching for dress shoes.

Similar to campaigns, you aren't limited by the number of ad groups, so there is no need to overfill ad groups with keywords. If you think a large ad group could be split into two more specific ad groups, go ahead and do it. It'll only make the account easier to manage in the long run.

## KEYWORDS

Keywords are the phrases and words used to target searchers queries. They come in a few varieties: broad, modified broad, phrase, and exact. You may see these with the match type notation as well. Broad has no punctuation, modified broad has +, phrase is enclosed in " ", and exact is enclosed in [ ].

*Broad: red shoes*
*Modified Broad: +red +shoes*
*Phrase: "red shoes"*
*Exact: [red shoes]*

So what is the exact difference between the types?

- **Broad match** can match to any query containing those terms or their synonyms in any order.
- **Broad modified** is similar to broad but requires that the terms with + are included, eliminating the synonyms.
- **Phrase** requires the query to contain those terms in that specific order, but anything could appear before or after the phrase.
- **Exact** is the most specific, only triggering ads when that specific query has been entered.

Choosing keywords requires a balance. Broad will bring in the most traffic but may bring irrelevant searches, while exact will bring qualified traffic at lower volumes. Since broad, is well... broad, is presents some dangers of driving a lot of spend for only a little gain. What if you need to block certain segments of traffic to control this flow?

Thankfully, you can control incoming traffic with negative keywords. Negatives have the same match types but work in reserve, keeping ads from showing for any queries containing those terms.

For example red shoes could trigger an ad for a searcher looking for red heels. In this example, your account only stocks athletic shoes. You can then apply red heels as a negative to remove these searches from triggering your ads.

## KEYWORDS CONT...

You can view the searches that triggered your ads from the search term report. This report can be reached from the keyword tab in your account. You can view search terms for the entire account down to specific keywords.
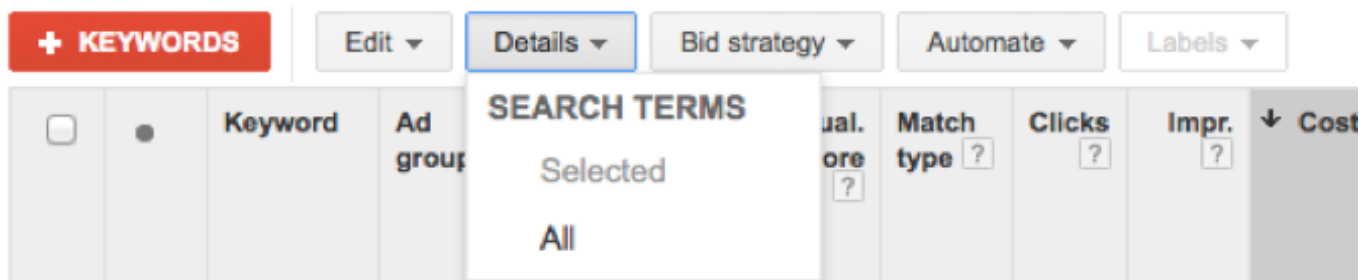


## ADS

Ads themselves are specific to their containing ad group. They are subject to certain limitations. Headlines can be up to 25 characters, description lines 1 and 2 can be up to 35 characters, display URLs can be up to 35 characters, and destination URLs can be just about as long as they could possibly need to be.

The ads themselves are pretty short. While this means they can be quick to write, the limitations also add to the challenge. With just 70 characters for descriptions lines you'll often have to stretch your creativity to include the desired message and meet the length requirements.



The headline is what you see at the top of the ad. These should be tailored to the ad group theme and keywords. The description lines should describe the benefits, any selling points, and a call to action. The display URL needs to target your domain, but as the name suggests, it is actually only for appearances. The destination URL is not seen on the surface, but is the address the searcher is sent to when clicking the ad.

## ADS CONT...

Looking at the ad above, you might wonder why certain parts are highlighted. Those are terms that matched the query used to find this ad. The query was for Google products. Whenever ad copy matches the query, those parts of the ad will be highlighted. This is one of the main reasons to have tightly focused ad groups and ads, since your ads will draw a little more attention with the bolded text.

You can have as many ads as you want in an ad group. Despite this, it is often best to run two ads in each ad group. This allows you to easily test two variations against one another. After a period of time, you can go back to your ad group and replace the poorest performing ad with a new ad and restart the testing cycle. You'll soon embrace this though. It's one of the driving forces in PPC. You won't always have a winner right away, but you can always keep testing and getting better.

## THE COMMON METRICS

The common metrics you need to know right off the bat are:

- Clicks
- Impressions
- Conversions
- Revenue (maybe, depending on the business)

These form the foundation for almost all of the other metrics you need to optimize performance.

**Impressions** are how many times your ad is shown. Each time a user sees your ad during a search, an impression is tallied. If a user clicks on the ad you gain a **click**. These metrics are collected at both the keyword and ad level, as well as aggregated at the ad group, campaign, and account level. This granular detail allows you to optimize each part of the account independently. This will help you figure out which part of the campaign is successful, rather than trying to find the perfect combination of elements.

Clicks and impressions are also used to calculate click through rate, or CTR, which is simply clicks/impressions. This ratio tells you how often your ads are clicked, allowing you to troubleshoot components that just aren't working. That said, there is no "good CTR." It is relative and you'll have to learn over time where your account's baseline is. Don't fret too much over this metric, but you generally want it to be higher.

## THE COMMON METRICS CONT...

Conversions are goal completions. This can be imported through Google Analytics but are also commonly used with an AdWords tracking code. The most common scenario is to place a conversion code on the checkout confirmation or form submissions page. Each time a user clicks the ad and then goes on to reach the final page, a conversion is totaled. This gives you an accurate count of how often PPC ads drive direct sales or leads. This metric also lets you calculate the cost/conversion or CPA/CPL, how much are you spending for each sale or lead.

# Working in The Account

One of the first tests of managing an account is getting used to the interface. Get comfortable flipping through your account and adjusting the date ranges, graphs, and metrics. This is going to be your first line of defense in monitoring account performance. Anytime you see significant changes or even a long running trend, go ahead and examine the change history. This page keeps a record of all the changes in your account whether they were new ads, keywords, adjusted bids or budgets, or when you paused and enabled certain elements.

You'll find that you can make any adjustment needed through the interface. This brings up two problems though. The first problem you'll face is that anything done through the interface is instantly applied. What if you want to double-check your changes before finalizing them?

The second problem you'll have is making large-scale changes. Thankfully, there are tools to address this. Excel and AdWords Editor will become your best friends soon enough.

The AdWords editor is a program provided, free of charge, by Google. It allows you to download a copy of your account into the program. You can then tweak and apply changes to the account without them going live. This also makes it easy to revert changes if you change your mind. When you are ready to implement your changes, simply click the button and the editor will sync with your account.

When it comes to analyzing your account, it's easiest to do it in Excel. You can download just about anything from AdWords in an Excel useable format. You can then use Excel to apply custom formulas for bid changes or to build completely new ad groups and keywords. Once you've finished your work in Excel, you can directly insert your spreadsheet into AdWords Editor and load the changes.

# Working in The Account Cont...

Working in Excel also offers you the flexibility to manipulate the data as needed. The most common techniques you can use are functions and pivot tables. Functions allow you to use logic to manipulate and analyze data. For example, you can bid down by 10% on all keywords over CPA and bid up by 10% for any keyword under your CPA goal. This would be a long task through the editor, but would take minutes in Excel.

Pivot tables can and have provided papers worth of information in their own right. They are worth mentioning though, as they will be a crucial tool in your account work and professional tasks. Pivot tables simply allow you to create custom tables using your own parameters. For example, you could quickly take a standard keyword report and analyze match type performance then swap a few fields and check the number of keywords in each ad group.

# This is only the Beginning...

So there you have it, common terms and concepts to get you started in PPC. We've only just scratched the surface in Google Adwords; next up are optimizations, experiments, display network campaigns, and more. The list goes on and on.

Remember, if you need help, there are plenty of resources available out there. Just Google it or better yet, start your search on PPC Hero.

# A Quick Recap

**The Seven Account Management Tasks You Need to Succeed Early in PPC**

1. Make bid changes in bulk through the AdWords Editor
2. Monitor and understand performance through the AdWords interface
3. Perform search query reports to find new keywords and eliminate poor quality traffic
4. Write creative ads and test, test, test!
5. Establish goals and guidelines for performance
6. Be flexible with adjusting your spend
7. Never stop learning - new techniques and tips pop up all the time

# LEARN MORE WITH HANAPIN.

For help with your Paid Search Campaigns, or to talk to a paid search professional, contact us:

 **www.HanapinMarketing.com**

**812.330.3134**