

# Google Adwords Advertising Campaigns... The Real Fundamentals That Have to Be Mastered or Else You Will Lose Money and Market Share.

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Google Adwords is a not a method to get rich quick. It does not substitute for poorly thought out advertising campaigns. Google Adwords is simple in concept but quite complicated to master without expert and experienced help.

Google Adwords is the future of advertising. It is highly targeted, precise, infinitely variable and results are measurable every day.

No organisation competing in any kind of commercial environment can afford not to, at least, experiment with this amazing advertising medium

Notes: in the following discussions these important terms have the corresponding meanings:

**IMPRESSIONS:** the number of times an ad is displayed when a search is made. This is an indication of "market" size at the keyword level.

**CPC = Cost per click** which is what Google charges the advertiser every time someone clicks an ad displayed by that advertiser. The advertiser is only charged when a click is made. Impressions are free.

**CTR = Click through rate** and is the number of times an ad is clicked divided by the total impressions.

**ECPM = earnings made by Google for every 1000 searches.** This is the variable that Google uses to maximise its own profit.

**AVG POS = Average position** in which your ad displays in a given period of time. Since Adwords is dynamic this position will change continuously and you will typically see average positions including a decimal point eg average position was 3.7 . AVG POS is a vital component of making a Google Adwords campaign profitable. As a general rule being in position 1 is not a good idea. At the workshop I will show participants which are the optimum positions for best return on Adspend and why in many cases you would not want to be higher than position 7 on the right hand side of the search results. I will provide a proven formula that will tell you which position to bid for.

**Campaign =** A campaign contains a collection of Ad Groups and Ad Groups in turn contain a collection of keywords. A single keyword can make up a single Adgroup. Google reports at the campaign, Ad Group and keyword level 24/7

MATCH TYPES = the match type (there are 7 in total) to be applied to keywords to cover the market and minimise CPC. It is extremely important to apply the different match types as appropriate.

COVERAGE = the percent of time during a day when you ad is displayed. It will normally not be 100% and your aim should be to get it to 100%

DAILY BUDGET = the maximum daily amount (averaged over a month) that you are prepared to spend. When the budget is met then the ads are switched off until the next day.

GOOGLE AD = the actual text ad written to display when a keyword search is made. Google has strict rules eg maximum of 25 characters in the headline is one example. Think about this clearly ... a good ad will make a world of difference between success and failure. Being able to write Copy that sells in such a few words and small space marks the difference between knowledgeable Adwords users and others. You can only know you have a successful ad by testing impact upon profitability.

CONVERSION RATIO (CR) = the most important variable of them all. Google is able to report right back to the keyword level which conversion was due to which keyword and Ad group. If you get this step in the whole Google Adwords process wrong then the whole campaign will fail when all that was wrong was the conversion phase. Many many campaigns have been aborted because the relationship between the Adwords campaign and conversion was not understood. In the workshop we will delve into what makes a campaign convert and what doesn't

How to Get Your Keyword Lists Ready For Making a Success from Google Adwords PPC...

*A Note About the Importance of Microsoft Excel in Keyword Research and Manipulation*

Please note: At the proposed workshop I will demonstrate this exact procedure outlined below using Excel on a real list of keywords. I will also demonstrate all the tools you will ever need to go from start to finish as outlined in this paper. One of the tools will cost a reasonable amount with the others being free or very low cost. Even the "expensive" tool is worth many times the cost. It's even possible to do without this tool once you know how it works although your productivity will suffer significantly.

People prepared to come to this workshop will not be put off by the cost for any tools I mention or use.

The real power comes from combining sophisticated tools, with Excel, good reporting and tracking systems and a questioning disposition.

While some of the techniques might seem strange in the beginning with some perseverance they become second nature. This is one of the reasons I provide a

free 1 hour consultation in my offices after the workshop so that I can go over the detailed procedures and give you the confidence you need to succeed.

Excel is used in many different steps before and after in a successful Adwords campaign and it's important that practitioners are able to use particular functions well. A number of these functions are not used in everyday spreadsheet work. The workshop will show exactly which functions, how to use them and when to use them effectively.

Mastering these few functions dramatically improves the efficiency of implementing and controlling any Adwords campaign.

A General Note on Keywords and Keyword Research.

Keyword Research is the direct equivalent of Market Research. A single keyword represents a single market. There are billions of markets (keywords) online.

The moment a keyword is typed into Google the person is identifying a market need specific to that person at that point in time. The longer the keyword phrase the more specific is the market need.

Keywords can often be categorized into:

- Browsing keywords ... normally one or two words and quite broad in intent eg "televisions"
- Shopping keywords... the keyword is often accompanied by a word like review or compare eg "compare LCD and plasma televisions"
- Buying keywords... the keyword tends to be quite specific eg "Panasonic 40 inch LCD TV"

Using the tools I discuss at the workshop the complete keyword research process depending upon the market niche and depth can take anything between 1 hour and 8 hours work. However if you want to lead the pack there is no alternative. You will dramatically recover the time related costs spent as the campaign unfolds even if you employ a professional to do this for you.

I must repeat ... You just HAVE TO DO THIS!

The Staring Point ... Discover Keywords, not Tens, not Hundreds but Thousands

Before starting any serious PPC campaign it is vital that long lists of keywords are discovered. Later these long lists will be whittled down to much shorter targeted lists using the power of Microsoft Excel.

You will create this initial list by using your own server logs, your favourite keyword tools such as Wordtracker or the Google keyword tool or you might even subscribe to very sophisticated keyword tools as I do. I "rent" this tool only when I need it and it costs me R150 for 3 full days use. Not only does this tool provide me with excellent keywords it allows me to see into the actual campaigns

of other advertisers. I will demonstrate this tool at the workshop and provide participants with access to it.

Don't be satisfied until you have thousands of keywords and even after this initial discovery of thousands you will need to come back and generate more targeted keywords to add to the lists you will later use in your PPC campaigns.

At this stage your mindset should be to grab as many "probably or possibly relevant" keywords as you can and worry about the sorting later. If you worry about the sorting at this stage you will inevitably miss many keywords.

In the example I will use my initial keyword discoveries which were all centred around the very broad theme "Online Advertising".

My aim was to eventually use these keywords in highly targeted Google Adword campaigns in order to promote my Adwords workshop.

My Adwords campaign example is one of using Google in a very difficult market since I'm trying to sell an expensive, albeit a very valuable workshop and one worth much more than the fee itself to prospective customers. These prospects may or may not know me and my work. In addition the field of Google Adwords online advertising is brand new to most advertisers. Add these factors up and you can see this is not like selling DVDs online.

Yet this campaign is the one to study since it is especially relevant to selling any high value, or unusual products to niche markets. The principles are just as valid as in the much easier ecommerce, or more easily defined type projects.

As a result I was trying to discover the types of keywords that would appeal to all potentially interested parties who were using the internet to search for advertising solutions, lead generations, sales opportunities, ecommerce opportunities, internet marketing, Ad agencies, affiliates, PPC and Adwords information and so on.

To even stand a chance of success my Google Adwords efforts have to be explicitly targeted to all the myriads of needs within these niches.

### 2 Hours and 8,000 Keywords Later...

After some 2 hours work I had generated more than 8000 keywords and I knew that many of these would fall by the wayside when I did my next refinement. I kept all these keywords in a simple single column Excel spreadsheet. I could have also added approximate search volumes into the spreadsheet at this stage but in practice I don't really find this information too useful at this stage and so omitted it.

### Sorting the Good from the Bad ...

A number of the keywords in this list were very long five and more word phrases so I culled these out of the list using the Excel "String Length" function [=LEN(string)]. This function counts the number of characters in every string. I then decided to delete all keywords containing more than 36 characters. 36 is a fairly arbitrary number and has no magical significance.

This Excel function will be used a number of times in the whole keyword and PPC set-up strategy so it's a good idea to become familiar with it.

This immediately reduced my list by about 100 keywords.

NOTE: I always keep the original full list as a backup and work on a copy of the full list. You never know...

The next stage is carried out after sorting the keywords in alphabetical order. Check the A to Z list for duplicates using the Excel function =IF(string1= string2,1 0) ... this will then place a numeral 1 next to any duplicated keyword. You can then sort the keywords in descending order and delete any keywords which are now showing as duplicates. Don't forget to convert the IF function result to values before doing the sort otherwise you will end up deleting the wrong keywords. Skim your eyes down the long list looking for important 1 and 2 word keywords and make a note of these on a piece of paper. For example in my list I made note of some 23 important theme words.

Once I've discovered these theme words I filter the long list using Excel once more. To do this select the COMPLETE keyword column containing the keyword list and from Excel's menu select <Data><Filter><Auto Filter>. A small drop down box will appear at the top of the list.

In the drop down box select the filter word "contains"

For each of the theme words (23 in my case) complete the filtration process and save the filtered list to a SEPARATE spreadsheet.

IMPORTANT: Before doing the second filter delete the filtered results from the first run (otherwise you will end up with very mixed data).

Having cut the first filter results onto a new spreadsheet run the second theme filter and put those results into another separate spreadsheet.

In my case I finished up with 23 spreadsheets + what remained of the original keyword list.

I review all the keywords in this much shortened original list to see if I missed any important keywords. If I had missed any I would continue with the Excel filter process until all that was left were keywords I knew were not relevant.

By the time I had finished this filtering process I had 23 spreadsheets and a total of some 4000 keywords that appeared useful.

### Further Keyword Discovery

Using the theme words I start the process of discovering keywords all over again but this time I add the new keywords to the relevant spreadsheet and thus build up much bigger "themed" keyword lists.

I would again do the sort process outlined above to remove duplicates in each of the 23 lists.

But we still haven't finished.

These long lists of themed keywords will almost certainly represent further opportunities to create sub-themes.

For example my initial theme group "Marketing" was split into sub themes (using the Excel <Data><Filter><Auto Filter> function) which included:

- Internet marketing

- Web marketing
- Search marketing etc etc

Once again it is vital to do this to be able to really profit from Adwords as will become plain later.

This sub-theming will result in many more keyword groups.

In summary my single initial keyword list of about 8,000 mixed keywords has now been finalized (for the time being) at 4,708 keywords spread across 654 Adgroups.

There is another way to broaden the keyword base which is especially useful after the campaign has been running for a while. This is used to extend high traffic broad, hard to convert and normally expensive keywords.

Let me use an example to illustrate this technique... the keyword "Home Loan".

There is no doubt that this is an important but very broad keyword. It can be considerably extended in a number of ways such as using the plurals and by joining the two words to make Homeloan. You can go much further by incorporating regions for example ... Pretoria Home Loan, Free State Home Loan and so on.

To do this manually or even using Excel is an extremely laborious job. At the workshop I will present a very low cost tool that will do all the hard work for you and make sure you don't get any duplicates at the same time.

There a number of other ways to extend keyword lists but for this exercise and most practical cases we have now done enough research work.

The final manipulation of the keyword lists is to use the Excel function =Proper(string) to make each keyword begin with a capital letter since words capitalized work better in Ads than lower case.

### Sorting the Final Themed Lists Ready for PPC

The important comment to be made here is as follows...

It is a well researched fact that Google Ads that have the keyword in the headline convert much better than Google Ads which don't have the actual keyword in the headline. Here's why...

Keywords = Customer Needs So Offer the Searcher What is Needed

If a searcher types into Google "Internet Marketing" the searcher is telling us that there is an interest in the "Internet Marketing" niche. If from all the Ads displayed only 1 or 2 contain those 2 words then the chances are very high that the searcher will click one of those 2 ads. This is first and foremost because the Ads matched the intent and to further emphasize the importance of that Google actually **BOLDS** the keyword in the Headline. This attracts the eye and attention to the Ad containing the keyword. Go and do a 2 word search; see how few Ads actually have the full keyword in the Headline.

## Further Refining Keywords...

With this bit of background information it's time to go back to the sub-themed lists of keywords.

This next step involves counting the characters in each keyword again using the power of Excel.

We know that Google will only allow 25 characters in the headline and we identify the keywords that have 25 or less characters since in some cases we will use the exact keyword as the headline in an ad. Don't be overwhelmed by this. The workshop will show you how we take these keyword lists and create the hundreds of highly relevant highly targeted Ads in less than 1 hour.

All those keywords more than 25 characters will be handled slightly differently but also in a very productive fashion.

So after a process of discovery, elimination and grouping we have a fantastically themed individual and grouped keywords ready for starting the Adwords campaign. The vast majority of people using Google Adwords will never do the in-depth keyword research and subsequent manipulations for the following reasons...

- 1) The importance of segmenting on a campaign's conversion, cost per click, ad positioning and final conversion is not appreciated or understood
- 2) Without the tools to accomplish the above, even assuming the need was understood, the amount of work to achieve this end is formidable and would take weeks. As I've mentioned above even very large campaigns can be completed within a working day.
- 3) The work is delegated to people not skilled. Perhaps the work is outsourced to companies that don't really have the necessary skills or tools either.

## Only 1 Hour to Go and We're Going Live...

At this stage we have... hundreds probably thousands of individual keywords and small groups of keywords

Using powerful software we take these keywords and create very relevant ads and Adgroups and bid prices per keyword or Adgroup to meet the requirements and formats of Google Adwords and searchers. We also use a very special technique to further enrich the keywords for the campaign that will result in better click throughs and lower bid costs. This takes minutes only.

Once we've created the Ads and keywords groupings relevant to each ad we upload the complete "caboodle" (what a lovely word) to the Adwords interface. We set the parameters for the campaign (the cost per clicks for each keyword ad were set at the same time as we created the Adgroups) and finally set the campaign to go live.

## The Fundamental Approach to Writing a Google Ad

Google allows 4 lines in a text ad ... the clickable headline (25 characters), description line 1 (35 characters), description line 2 (35 characters) and the display URL (35 characters).

Inside these 4 lines it's necessary to include keyword information, benefits, features, advantages and call to action.

Ideally the keyword should be in the headline, the first line should be benefit rich and the second line might display a feature and call to action.

The display URL should reinforce the important message within the ad.

## Once We're Live...

Results will start streaming in within about one hour of going live. It's very important to take a quick view of the initial stats to make sure we've not made any fundamental mistakes in the set up.

3 potential mistakes in particular can quickly vacuum your wallet.

From this point on it is a matter of using management software to productively manage bids (CPC or cost per click), click through rates (CTR) and positions (AVG POS) at the keyword and Adgroup level.

Can you imagine the control and management challenge when you have thousands of keywords and Adgroups? ... you can only do this with the right management tools.

Every day you will monitor bids and make intelligent changes based upon the campaign feedback.

The campaign feedback will also provide you with important keyword modifications that must be made to ensure money is not wasted on unnecessary clicks.

Google Adword campaigns set up like this will put you so far in front of well over 99% of all Adwords participant anywhere in the world. You will gain more relevant customers at a fraction of the cost paid by competitors and you will get very significantly more targeted visitors.

All this achieved for a full day's effort.

Unimaginable? I know... but it's true.

The workshop reveals exactly **how to do this** and **shows you exactly** how to do this and make far more profit form any Google campaign.

So How Do We Measure Whether a Campaign is Successful or Not? The Concept of ECPM

Like everything else in well run Adwords campaigns it is just not enough to look at overall or average results.

It necessary to look at profitability down to the keyword and Adgroup level. In all campaigns many of the searches and clicks will not generate real profit and at the same time some parts of the campaign will create spectacular profits. Some parts of the campaign will actually lose money and must be deleted from the campaign.

But how do you get this information?

The calculations involved are not difficult but can seem confusing. In addition all calculations really need to be expressed on a common base and we choose this base to be 1,000 Ad impressions also known as ECPM (earnings per thousand impressions).

Before we get into this let's understand how Google makes money and how it judges the Adwords or Pay Per Click auction... I'm assuming here that you understand the basics of Adwords namely that every time a search term is entered into Google an instantaneous auction is performed. This auction slots ad relevant to that keyword search into a position in the ad list. In general the higher the keyword bid the higher will the ad appear in the search results listings. Google seeks to maximise the amount of money it can make for every 1,000 times a keyword search is made. For this exercise let's assume there are 5 ad for the search "Internet Marketing". As a general rule the highest bidder (CPC or cost per click) for this keyword will be in position 1 and so on until the lowest bid slots into position 5.

It is a fact that ads in number 1 position will get more clicks than others ads all else being equal (this is not the case). As a result the click through rate will tend to be higher (CTR = clicks divided by impression).

Now let's say the ad in position 3 is a better written ad than that in position 1 then Google will quickly notice this fact. Let's use an example...

Ad 1 has CTR of 2% and CPC is R1 (ECPM = R20 ie Google profit is R20)

Ad 2 has CTR of 5% and CPC is R0.50 (ECPM = R25 which means Google profit is R25)

For every 1,000 impressions Google will make more money from Ad number 3 than from Ad number 1. Google also knows that by pushing Ad number 3 to a higher position the number 3 ad will get even more clicks and this makes Google even more money than it does from ad number 1. Maybe the CTR will go from 5% to 5.5%

Google at the time of every single keyword search calculates the relative CTRs of all ads and adjusts positions to maximise its profit per 1,000 impressions.

In practice this means that well written ads which are those that match searcher needs get a ranking boost while paying less than other competing advertisers.

It is quite possible for an ad to be in number 1 position and for each click to cost much less than other ads competing in the same auction even though the competitors are paying more click.

Few advertisers realise this.

This point is just further proof of the need to create very specific keywords and very targeted ad in any Google campaign.

If Google uses ECPM then that's what we should also use in judging the profitability of any part of a campaign.

If the ECPM for a part of the campaign exceeds the cost of buying 1,000 impressions then that part of the campaign is profitable. The cost of buying 1,000 impressions is a function of the CTR and CPC.

For example if CTR is 1% and CPC is R1 then cost of 1,000 impressions is R10. It is easy to measure this cost at the keyword and Adgroup level since Google provides this information as standard.

It's a bit more tricky to work out the profit per 1,000 impressions since this depends not only upon CR and CPC but more importantly what % of the clicks result in a final sale or profitable action.

This calculation is so fundamental to judging Adwords success it has to be understood and implemented rigorously down to the keyword level. Reliable data can only be obtained after running a campaign for some time.

I will provide workshop participants with working Excel spreadsheets to make these calculations simple.

In essence what has to be judged from the masses of data made available is which parts of a campaign are profitable and which are not and to make this decision based upon a sufficient amount of data.

Before starting any Adwords campaign this kind of calculation has to be done based upon intelligent assumptions. Estimating CTR, and CR will help you decide a likely daily budget spend and an approximate cost to get to a conversion.

You will need either to know the value of a conversion or relate it to potential future earnings.

In this latter context the concept of Lifetime Value of a customer comes into play. Many products and services sold for the first time do not make a profit but they create ongoing sales and income so that the value of making ongoing sales (eg to a captured data base of leads and buyers) has to be taken into account. Companies that use Google Adwords to sell products like ink cartridges or vitamins work on this principle. The advertiser is prepared to make a loss on the first sales to capture future business.

In general to expect a conversion ratio of 5% or more in most industries is optimistic and a good approximation of CTR for initial estimate purposes is between 2 and 3% for the complete campaign... remember in practice this CTR will vary enormously depending upon the searched for keyword and how well the ads were written. Armed with these numbers you can calculate a good estimate

of what you can afford for a single click or for a 1,000 impressions which is the better way of looking at profitability.

### Masses of Data Turned Into Fantastic Reports

Google has made available really good reporting tools which if used properly help dramatically to understand and thus control even very large and complex campaigns.

The reports are available in graphical and tabular format and can be exported to Excel for further manipulation.

Reports can also be scheduled to run say once a day and then automatically be sent to an email list of recipients.

The most important variable that Google can report upon is the CR or conversion ratio ... percentage of clicks from the Adwords campaign that resulted in the required action eg a sale or a newsletter sign up or as in my case a lead.

Quite frankly I believe it's almost impossible to make a sales of my workshop product in the same way a DVD can be sold online. This may well apply to your product also. Nevertheless Adwords remains the most important advertising tool available today.

Like many other campaigns my objective is to gather names and contact details of real people with the right intent and with whom I can later converse and hopefully convert to a sale that benefits both parties.

This approach to running Google Adwords is important. Campaigns can result in very tightly targeted and valuable email lists.

### The Difference Between Selling Physical Products, Information Products and Services...

It is much harder to sell information products and services using Google Adwords than it is physical goods.

To sell physical goods it is possible to advertise very specifically on product names and brands. Then so long as you do a good job in the keyword research phase and later in the Adwords interface and so long as the price, trust and service are there chances are pretty high that you will convert a good proportion of searchers to a sale (online or other means eg telephone).

When it comes to selling information and services it is almost always necessary to build up trust and establish a degree of competence in the eyes of the potential buyer and this is best achieved by initially collecting an email address for use in a future series of contacts by various means the most common of which is the autoresponder newsletter method.

In practice selling information products or services is a much longer term strategy and the ability to tailor ads to searcher behaviour is critically important.

### Making Money from Clickbank Products

Clickbank is probably the best known marketplace for affiliates and is one of the few genuinely possible affiliate programs where many people have made a lot of money. If you would like to know more about affiliate program challenges in general you can access an eye-opening article I've placed on [www.seoza.com](http://www.seoza.com).

Clickbank works for a couple of reasons...

- Products carry high commission rates for affiliates. 50% and more commission is not unusual.
- Most products are downloadable
- It is possible to shortcut the click through procedure if you know what you're doing which means getting a conversion for a much lower cost is possible.
- Clickbank is perfectly suited to Adwords because if you know how to "work" the system the merchant page can be completely by-passed. This step has a dramatic impact upon the cost of a conversion using Adwords.
- Using one of the tools I demonstrate at the workshop will allow affiliates to create as big a campaign as they like, covering as many Clickbank products as they like (there are about 20,000 products) in less than a single day.

*I will disclose how to really make Clickbank pay for affiliates at the workshop.*

What You Should Do Next...

- If you believe you would like to learn more about the upcoming workshop (February 2009) please complete the following information and fax it back to me on 011-454-2869. By doing this I will be able to keep you fully informed and to send you relevant information as it becomes available. These details will also be used to send pre-workshop materials. There will be no obligation whatsoever.
- Remember the workshop will be very intense and there will be much to be reviewed and taught within the full day set aside. Because of the intense nature of the workshop and the many new concepts that will be discussed and used in the workshop all attendees will be entitled to a full 1 hour consultation after the workshop so that I can make absolutely sure that you start off by doing "things" the right way and get your campaign off to a flying start. The workshop will only benefit those who want to seriously use Google Adwords to drive sales and traffic.
- I will use a real campaign to show how the system is put together from start to finish.
- I'm sure some potential attendees would like more of a tailormade approach relevant to their own situation.
- Should there be an interest in holding workshops inhouse then please contact me using this form and we can discuss such a "private" workshop.

Full name...	
Organisation...	

Postal Address...	
Contacts...	Tel:                      Fax
email address...	
Website...	http://www.
Are you interested in an inhouse workshop?	
Are you running or have run an Adwords campaign?	
Would you like me to ring you and have a preliminary chat?	

Please fax completed form to Tony Roocroft 011-454-2869