PPC:101

A Complete Guide to Pay-Per-Click Marketing Basics

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CHAPTER 1

WHAT IS PPC & HOW PAID SEARCH MARKETING WORKS

SEJ EBOOK

Written by
Dan Gilbert
Founder and CEO, Brainlabs

WHAT IS PPC? HOW DOES IT WORK? AND, MOST IMPORTANTLY, HOW CAN YOU MAKE IT WORK FOR YOU?

This chapter will introduce you to everything you need to know about the exciting world of paid search marketing: keywords, ads, budgets and bids, ad rank, targeting, and conversions.

But this is PPC 101, so let's kick things off with the basics.

WHAT IS PPC?

Pay-per-click (PPC) is an advertising model that lets marketers place ads on an ad platform and pay the host of that platform every time their ad is clicked.

The goal of a PPC ad is to lead the person viewing it to click through to the advertiser's website or app, where that visitor can complete a valuable action, such as purchasing a product.

Search engines are incredibly popular advertising platforms. They allow you to display ads that are relevant to what users are searching for.

Advertising services like Google AdWords and Bing Ads operate with real-time bidding (RTB), where advertising inventory is sold in a private automated auction using real-time data.

HOW PAID SEARCH WORKS

Every time there is an ad spot on a search engine results page (SERP), an instantaneous auction takes place for the keyword.

A combination of multiple factors, including bid amount and the quality of the ad, decide the winner who will appear in the top spot of the SERP.

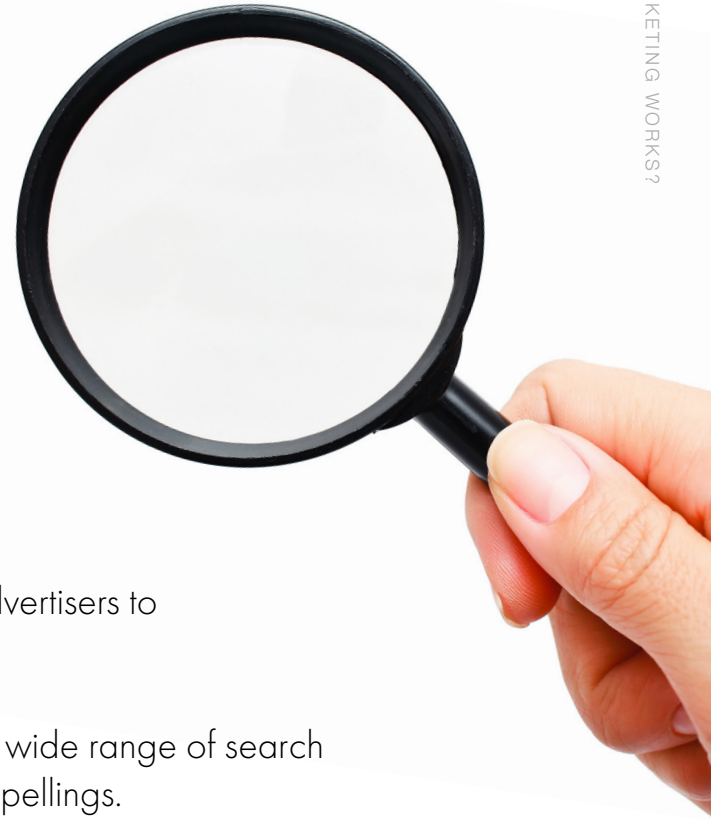
These auctions are what keeps the gears of PPC moving.

Auctions begin when someone searches for something on a search engine; if there are advertisers interested in showing ads related to a user's search query, an auction is triggered based on keywords that are bid on by advertisers. The ads that win the auction then appear on the search engine results page.

To get involved in these auctions, advertisers use accounts on platforms like AdWords to set up their ads and determine where and when they would like those ads to appear.

Accounts are split into campaigns for ease of management and reporting of different locations, product types, or other useful categorization.

Campaigns are further divided into ad groups which contain keywords and relevant ads.



KEYWORDS

Keywords lie at the center of PPC, connecting advertisers to users' search queries.

Keywords work as generalized abstractions of a wide range of search queries, which are prone to irregularities like misspellings.

- **Queries** are the actual words that users type into the search box of a search engine in order to find results.

- **Keywords**, on the other hand, are what marketers use to target these users by matching their search queries.

Depending on the keyword match types they use, advertisers can match search queries with more or less precision.

For example, advertisers can choose to match keywords with search queries exactly or to allow for variations such as different orderings of the words, different spellings, or the inclusion of other words.

It is also possible to have negative keywords, which will prevent ads being triggered by search queries containing those keywords, in order to avoid irrelevant traffic.

ADS

Along with keywords, you need to prepare ads in your campaigns.

These are nestled together within ad groups that target shared sets of keywords, and so are organized by common themes.

Ads are what the users will see if the auction is won, so they're very important to get right.

They typically contain a:

- Headline.
- URL.
- Description.

On a SERP they can show up on top of the results or at the bottom of the page. It's good practice to test different versions of ad copy to see what performs best.

Services like Google AdWords and Bing Ads provide features called ad extensions that enhance the appearance of ads. Examples include:

- **Sitelink extensions,** which populate an ad with more links to different pages on a site.

- **Call extensions,** which add a phone number to the ad during business hours.

Ad extensions are great as they increase the visibility of ads by making them more engaging to users while communicating more information.

BUDGETS & BIDS

In order to participate in the auction, advertisers need to decide how much they're willing to spend on a given keyword. This is done using:

- **Budgets** at the campaign level.
- **Bids** at the ad group or keyword level.

Budgets are set at the campaign level and can be exceeded on a daily basis, but will not be overspent on a monthly basis. Budgets should be set according to overall account strategy, but bids are a more precise way of controlling spending.

All ad groups must have bids, but keyword level bids override ad group level bids.

Due to the RTB system, the actual amount paid by the advertiser is dependent on competitor activity and ad rank, not just the maximum bid.

AD RANK

There's more to winning the auction than having the highest bid.

Search engines look at other factors to determine which ads should be at the top and most valuable spot on the SERP.

Search engines have their own particular ways of factoring in other elements to determine ad rank. Google, for example, considers:

- Bid amount.
- The context of the search (such as the user's device and time of day).
- Format impact (whether it includes extensions that enhance the format of the ad).
- Quality Score.

Quality Score is a metric that determines ad relevance. The components of Quality Score are:

- Historical click-through rate (CTR).
- Relevance of the keyword to the ad.
- Relevance of the keyword and ad to the search query.
- Landing page quality.

Ad relevance is absolutely essential; the higher Quality Score is, the lower the CPC will be.

Search engines penalize advertisers who bid on keywords with low Quality Scores by rarely showing their ads, even if they have high bids.

This is why it's important to have engaging relevant ad copy that includes volume keywords.

Landing page quality can't be overlooked either.

The webpage must:

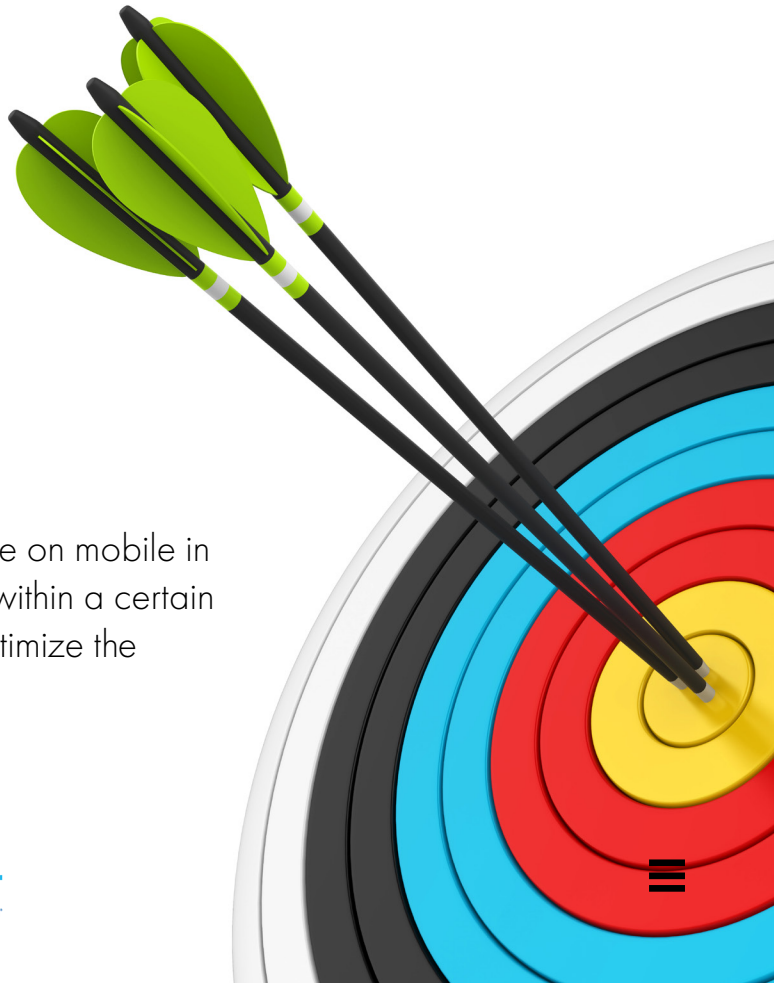
- Be relevant to the user.
- Load quickly.
- Provide an overall smooth user experience on all devices.

TARGETING

Choosing the right keywords is what allows advertisers to show ads to relevant audiences.

But there are other targeting options available to optimize campaigns, including:

- Device.
- Location.
- Day and time.
- Demographics.



This way, advertisers can target users who are on mobile in the evening or users who are under 25 and within a certain radius of a particular location, in order to optimize the performance of their ads.

These targeting options are incredibly valuable because different variations of ad copy, for example, might perform better for one group of users than for another.

It can also be possible, using remarketing tools that allow for more specific ad copy messaging and adjusted budgets, to target or exclude past visitors to a website who do follow-up searches.

Bids can be automatically adjusted for keywords based on targeting options, giving advertisers more control over traffic and spend by bidding when customers are more valuable to the business.

CONVERSIONS

The point of all this hard work isn't to just get clicks.

The real end game is to obtain conversions.

Conversions are the actions that advertisers want users to complete after clicking on an ad, and depend on the type of business being advertised.

It's super important to track conversions in order to know whether a PPC campaign is doing well and how many conversions can be attributed to paid search rather than other marketing channels.

Common examples of conversions include:

- Purchasing a service.
- Signing up for a newsletter.
- Placing a phone call.

Platforms like AdWords can track conversions using a snippet of code that is placed into the source code of the conversion page (which is reached after conversion, like a thank you page) to collect conversion data.

Conversions can be a bit tricky.

Some conversions, like phone calls, happen offline rather than online, so require some more work to set up.

Conversion paths also have a tendency to be more complicated than a simple click on an ad and a direct purchase. They often include multiple searches and website visits, which is why it's worthwhile to think about the set of rules that determines how conversions are assigned each step of the way.

CHAPTER 2

7 Powerful Benefits of Using PPC Advertising

Written by
Corey Morris
Vice President of Marketing, Voltage

SEJ EBOOK

THERE ARE MANY COMPELLING BENEFITS OF PPC ADVERTISING.

Whether you're trying to convince your boss or a client about the value of Google AdWords (or Bing Ads), there's a powerful case to be made.

For starters, PPC:

- Offers quick entry.
- Results are easy to measurable and track.
- Works well with other marketing channels.
- Provides a wealth of useful data

PPC can have a major – and positive – impact on most businesses and brands. If you aren't doing any PPC marketing, you're likely losing out on valuable traffic and revenue.

Need to make the case for PPC advertising? Here are just seven powerful benefits of using PPC.

NUMBER 1

PPC Contributes to Business Goals

This is often the most compelling reason to use PPC advertising. PPC can help you achieve a vast number of business and marketing goals. These goals range from high-level brand exposure and thought leadership to a hot lead submission or e-commerce sale.

Nearly any type of conversion goal can be tracked. PPC is a powerful tool for aligning website traffic drivers to end-goals.

In the era of **content marketing** and thought leadership, PPC can foster the middle ground of nurturing and serving the middle of the funnel through advertising content downloads, seeking newsletter signups, contest entries, and pushing for app downloads.

PPC can support many parts of the sales funnel and the path that your prospects take from awareness to becoming a customer. Regardless of the set of identified goals, PPC campaigns can be set up effectively.

NUMBER 2

PPC IS MEASURABLE & TRACKABLE

A major benefit of PPC advertising run through AdWords is that it's easy to measure and track. Simply use the AdWords tool in combination with Google Analytics.

You'll see high-level performance details including impressions, clicks, and conversions (based on the defined business goals).

There's no mystery to your PPC performance. Stats are readily available and show how your campaigns are performing and what kind of traffic and results they are driving for your budget.
In other advertising and marketing channels, the picture isn't as clear for attribution of the budget to direct results.

When you send your PPC traffic to dedicated landing pages and track it all the way to conversion using Google Analytics, you're able to clearly see what you spent and what it drove in terms of your end goals. No billboard or magazine ad can attribute to sales like that.

NUMBER 3

QUICK ENTRY

Even if you're a decade behind your competitors on jumping into PPC marketing, you can get up and running quickly with a little bit of optimization. This is often a big contrast to **starting up SEO efforts,** which often take a lot of time and attention to get the same type of positioning and traffic that AdWords offers within minutes of launch.

When compared to other channels like email and organic social, you have the advantage of targeting people outside of those who are already aware of your brand, and you aren't limited to your existing followers or customer lists.

PPC lets you quickly cast a wide net to find new prospects and customers.

Plus, most of the work is done within the PPC advertising platform — from the research to campaign build out, to writing ads. You can get up and running quickly with minimal involvement of your development teams, aside from help setting up conversion tracking and any desired landing pages.

NUMBER 4

YOU'RE IN CONTROL

While there are several nuances regarding default campaign settings, you ultimately have control over a wide range of options for how you reach potential customers. This starts with the keywords or placements you choose to target and how restrictive you want to be.

You also have a lot of budget flexibility if you want to start small. You can set your own ad budget and bids, and choose what you're willing to spend (though you have to pay at least close to a market rate to play in most cases).

If you're seeing positive results, you can scale up immediately. And if you want to take a break, you can always pause and stop your ad spend right away. This is hard to do with other ongoing marketing campaigns, giving you the advantage and budget flexibility to move quickly when necessary or desired.

Google's AdWords auction and the algorithm involved has the final say as to where your ads will be positioned and what you'll spend when compared to competitors. The alignment of relevance between your landing pages and the keywords and ad copy can hurt or help you.

The good news is that you have the flexibility to make quick edits and to optimize while your ads are running, and to try new tests every day if you wish. There's not a long cycle from edit to deployment that you see in other mediums, and if an ad stinks, you can pull it without having to let it finish out a contracted media cycle.

NUMBER 5

PPC Works Well With Other Marketing Channels

Content marketing has taken over the digital marketing world and content plans and calendars are the norm in most businesses now. With the investment in producing original and unique content to support the customer buying cycle and establish thought leadership positioning, AdWords is an engine that can drive visitors to content more quickly and improve the ROI on your content investment.

PPC and SEO work well together as the impressions and opportunities for traffic are often to the same audience — the people using Google to find information, services, or products. The performance data of impressions, clicks, and conversions from AdWords can provide great insight and direction on a keyword-by-keyword basis for where to prioritize SEO efforts.

On the flip side, organic traffic performance data and SEO strategy can also advise PPC if the data is available. All of this helps align with content marketing and ensures that efficiencies are gained and business end goals are not siloed.

AdWords remarketing is a great avenue to keep site visitors engaged, regardless of how they found your site. Remarketing ads are shown to people who visited and left your site and are based on specific rules or audiences you select.

There are other cases where PPC can help provide data or an alternative to traditional direct marketing activities. PPC can also be directly compared to traditional mail with costs per impression and conversion. If you can shift away from more expensive traditional marketing to methods that provide real-time data and have better tracking, it can be a big win.

NUMBER 6

INCREDIBLE TARGETING OPTIONS

Many advertisers take a multi-layered approach in AdWords to test and ensure full coverage across the networks and targeting types that can gain brand exposure.

This ranges from targeting keywords through text ads, to running ads through remarketing based on their past behaviors, or focusing on specific audience demographics on the display network.

By testing and trying out a mix, you can ensure the full scope of AdWords is leveraged and that you're getting as many impressions as possible while staying targeted to the personas in your prospective audience.

Going back to the business goals conversation, you can also see what performs best and set expectations on what the tolerance is for cost per click and cost per acquisition to compare the different targeting methods with each other.

Ultimately, the biggest benefit of the PPC targeting options available is that you are able to reach people who aren't already in your audience as well as those that have been exposed to your brand. You have many options for how wide of a net you want to cast.

NUMBER 7

A WEALTH OF MARKETING DATA

While there's a lot of data and performance information directly available in Google AdWords, the value of information gained goes beyond just PPC performance.

Impression, click, and conversion data for each keyword can be used to advise SEO strategy and content marketing efforts.

Beyond that, you can use the built-in keyword planner and display planner tools to find where your audience is.

You can also cross-reference where your competition is through third-party tools like SpyFu, KeywordSpy, and iSpionage to build a solid profile of what you're up against and what market share you can gain.

STILL NOT CONVINCED ABOUT PPC?

Run your own projection to show the risk of AdWords compared to other organic and paid sources of traffic you're currently utilizing. For example:

Sculpture Studio
AdWords Projection

Sculpture Studio (Ongoing Campaign)

Monthly Media Cost: $1,400
Impressions: 35,250
Estimated CTR: 2.6%
Website Traffic: 917
Historical Conv. Rate: 3.5%
Estimated Conversions: 32
Avg Conversion Value: $212.73
Total Estimated Revenue: $6,807.36

By looking at what the cost will be for media, management of the campaign, and any content that must be created, you can put that cost up against what you're currently spending for similar management and development activities in organic search, email, social, and offline marketing channels.

Additionally, you can take some simple inputs including your current or projected conversion rate and project with the keyword and display planner tools to see what traffic is out there. From there, you can look at what the projection is if you were to increase by certain amounts of traffic, putting the cost of that traffic against the investment required to get it.

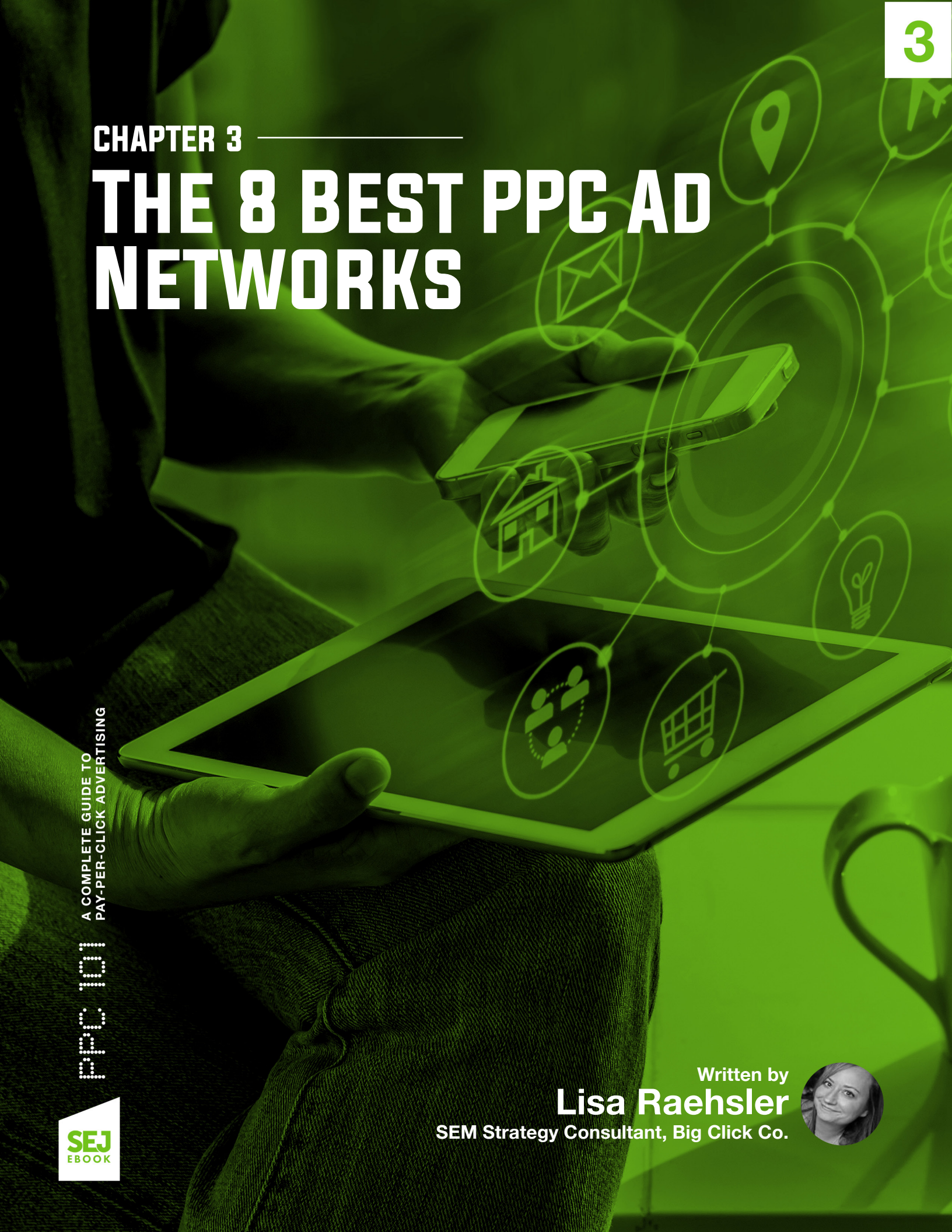
SUMMARY

PPC advertising has proven to be a reliable and profitable channel for tons of B2B, B2C, nonprofits, and other companies seeking quick, quality traffic and conversions.

Considering all the benefits PPC offers, there's little risk in testing it out to see where it can move the needle and to gain a wealth of valuable data you can use to inform your other marketing and optimization efforts.

CHAPTER 3

THE 8 BEST PPC AD NETWORKS



PPC 101 A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

SEJ EBOOK

Written by
Lisa Raehsler
SEM Strategy Consultant, Big Click Co.

NO TWO AD PLATFORMS ARE EXACTLY ALIKE.

This gives advertisers the opportunity to gain massive reach to potential customers across audiences and online behaviors.

So which PPC ad platform is right for your business?

It's likely your business will benefit from several of the platforms that follow.

In this chapter, you'll learn more about the following PPC ad networks: Google AdWords, Bing Ads, AdRoll, Yahoo Gemini, Facebook, LinkedIn, Twitter, and Pinterest.

NUMBER 1

GOOGLE ADWORDS

AdWords is the most popular ad network due to the volume of searches done the Google search engine and large number of websites on the Google Display Network (GDN).

Google states "AdWords display ads appear on over two million websites and in over 650,000 apps, so your ad can show up wherever your audience is."

PLACEMENTS:
Google search engine, web placements on the GDN, shopping, mobile apps, and YouTube.

More than **3.5 billion** searches happen every day on Google.

MOBILE:
Extensive mobile coverage on search, GDN websites, and apps.

AD FORMATS:
Text, image, responsive, video.

$ PRICING:
Cost per click (CPC) model based on the competition and ad quality. GDN allows Cost-per-1,000 impressions (CPM).

TIP:
Often times advertisers will find higher CPCs on Google Adwords on search keywords. Time to think creatively and try a highly relevant display network campaign, or move to one of the other platforms.

NUMBER 2

BING ADS

The Bing search engine share of searches on desktop is growing **faster** than Google with **145 million** searchers not reached on Google.

Bing Ads has tools for advertisers to import campaigns from AdWords, simplifying the process of getting started.

Microsoft has the advantage of powering several voice searches and access to LinkedIn data, so look for even more opportunities as advertising technologies advance.

PLACEMENT:
Search engines, native content placements on MSN, Outlook.com, the Edge browser, and select quality partner sites

MOBILE:
Mobile search across the Bing Network.

AD FORMATS:
Text for search, responsive for native placements.

$ PRICING:
CPC model based on the competition and ad quality.

TIP:
While Bing Ads allows advertisers to import campaigns from AdWords, keeping an exact copy and not optimizing for the Bing Ads platform can be a mistake. Be sure to adjust bids (usually down), match types, and add any Bing Ads ad extensions.

NUMBER 3

ADROLL

This retargeting platform uses more than 34 million signals to make marketing predictions for targeting.

They leverage Facebook Exchange, Google, emails, and many other marketplaces and exchanges.

PLACEMENTS:
Websites

AD FORMATS:
Web ads, dynamic web ads, native web ads, Facebook ads, Instagram ads, email.

MOBILE:
Retargeting for mobile and across devices.

$ PRICING:
Minimum monthly media spends start at $300

TIP:
A must-have especially for ecommerce to retarget with products the shopper viewed.

NUMBER 4

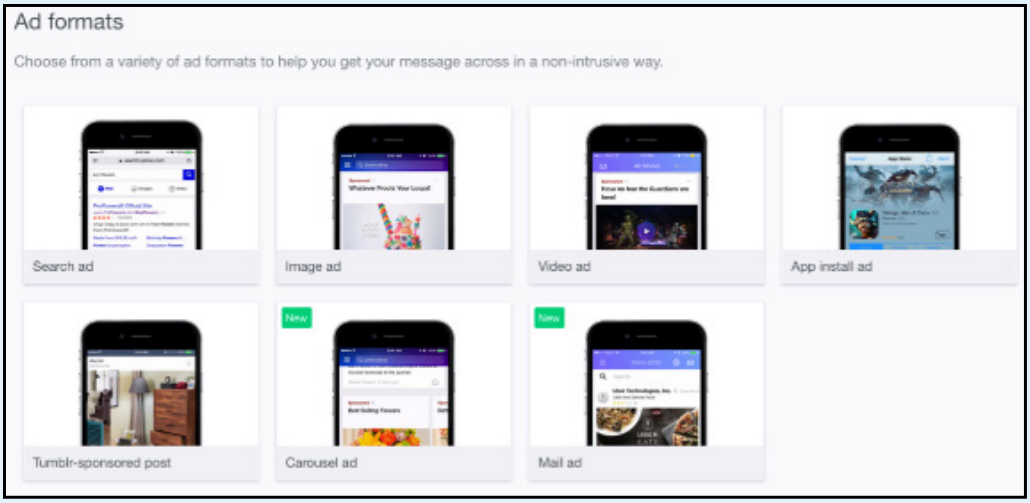
YAHOO GEMINI

Search and native ads are served on Yahoo properties and Oath Network, composed of Yahoo, AOL, and other websites falling under those two entities, such as HuffPost and Tumblr.

PLACEMENTS:
Search, mobile search, native.

MOBILE:
Mobile search.

AD FORMATS:
Text, image, video, app install, Tumblr post, carousel ad, mail ad.



$ PRICING:
CPC model based on the competition and ad quality.

TIP:
Yahoo would have the most value for the scope of native ads and serving to audiences consuming Yahoo products.

NUMBER 5

FACEBOOK

As the top social network on the planet, 2 billion people use Facebook every month. User targeting can get very granular with demographics, interests, and behaviors.

PLACEMENTS:
Facebook, Instagram, Messenger, and Audience Network on mobile apps.

MOBILE:
Facebook mobile properties and Audience Network.

$ PRICING:
Cost per desired action, based on bid, estimated action rates, ad quality.

AD FORMATS:
Video, photo, carousel, slideshow, canvas (mobile). Audience Network on mobile supports a variety of video and display formats such as native, interstitial, rewarded, and in-stream video.

TIP:
Best for targeting very granular audiences through detailed demographics, since level of targeting is not easily achieved on Google or Bing. Facebook ads tend to perform like display ads, but savvy managers can excel at getting conversions.

NUMBER 6

LINKEDIN

Now owned by Microsoft, LinkedIn is a wealth of information and audiences for advertisers to target for the professional set.

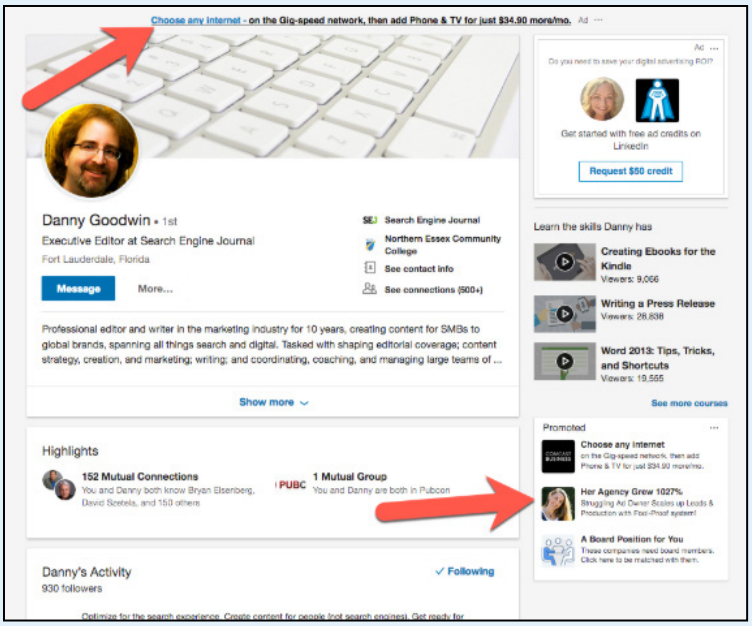
More than 500 million professionals are on LinkedIn and they can all be targeted by professional criteria, such as job title, seniority, company, and many more.

PLACEMENTS:

LinkedIn, LinkedIn Audience Network contains ten of thousands of mobile sites, mobile apps, and ad exchanges.

AD FORMATS:

Text/image ad on LinkedIn, native on LinkedIn Audience Network sites and apps.



MOBILE:
Ads in the LinkedIn app and LinkedIn Audience Network.

$ PRICING:
CPC model based on the competition and ad relevance, CPM, Cost-per-send (CPS).

TIP:
One tactic that gets results on LinkedIn is offering valuable tips, whitepapers, or other content that directly relates to users' industry.

NUMBER 7

TWITTER

Twitter offers several options to reach users through the platform used by 330 million active users each month.

Unlike many of the other platforms, Twitter ads are entirely contained on Twitter, with no network partners.

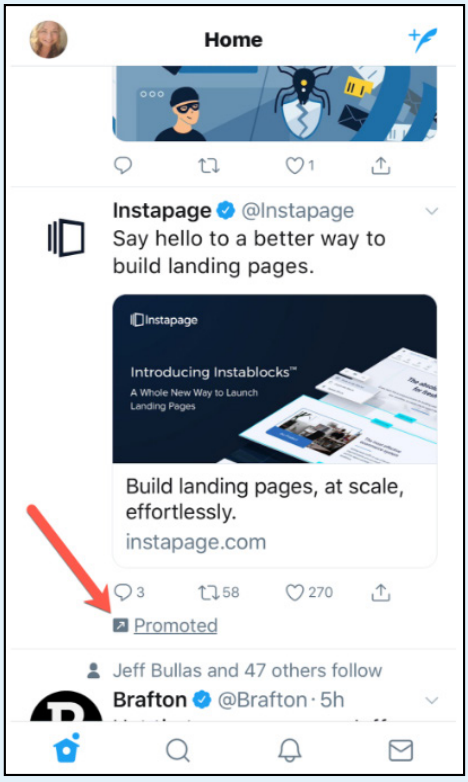
Promoted tweets are probably one of the most flexible ad formats because these can include any combinations of text and other media that complies with the overall policies.

PLACEMENTS:
Twitter.com and Twitter app.

MOBILE:
Ads in the feed of the Twitter app.

AD FORMATS:
Promoted tweets (text and/or images, GIFS, videos), promoted accounts, promoted trends.

$ PRICING:
Promoted tweets and promoted accounts is CPC, promoted trends is handled through a Twitter sales representative.



TIP:

Advertising on Twitter should go hand-in-hand with having a solid Twitter engagement strategy. While promoting an account can get new followers, robust tweet content will yield the best results.

NUMBER 8

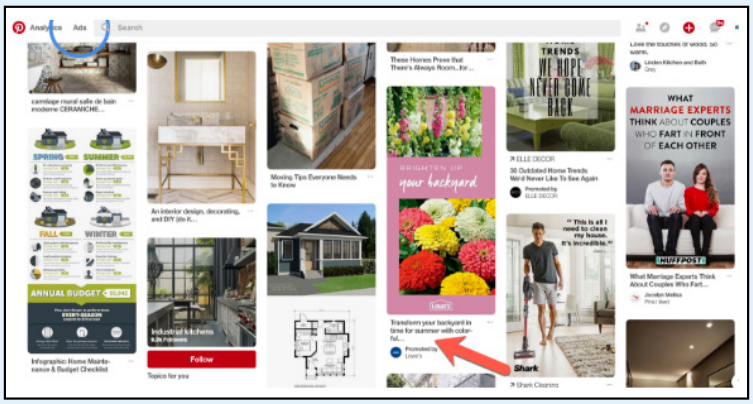
PINTEREST

Pinterest has **200 million** active monthly users who are researching trends, ideas, and products and many of them are in the mood to purchase.

The users skew majority of women at 70 percent, with 40 percent earning $100,000 household income.

PLACEMENTS:

Pinterest.com and Pinterest app.



MOBILE:

Ads in the feed of the Pinterest app.

AD FORMATS:

Promoted pins, one-tap promoted pins, promoted video pins, cinematic pins, promoted app pins.

TIP:

Search queries on Pinterest are more general than on Google, for example, so research keywords before getting started. A robust Pinterest presence will improve results because shares and saves on Pinterest stick around and don't cost the advertiser.

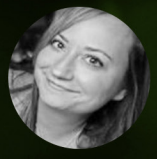
$ PRICING:

CPC for promoted pins, app installs, CPM for promoted video pins.

4

CHAPTER 4

How to Develop Your PPC Strategy



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A SUCCESSFUL PPC CAMPAIGN BEGINS WITH A STRATEGY.

You need to know what you want to accomplish.

What is your goal?

A PPC program can actually consist of many different goals

Sometimes your PPC goals will be obvious, but sometimes this will require more consideration.

Each one of these goals also aligns with the basic sales funnel: awareness, consideration, and purchase.

"As an advertiser, you should closely examine the sales funnel for your business and customize accordingly.

The most common PPC goals include:

- Brand awareness
- Product and brand consideration
- Leads
- Sales
- Repeat sales

For example, a B2B business may have a much longer sales cycle due to the process of researching business solutions and the internal decision makers involvement.

In contrast, a consumer e-commerce product could be immediate or a few hours from clicking on a PPC ad.

Let's take a look at each of these five PPC goals and tactics that will help you accomplish each one.

BRAND AWARENESS

PPC is often used for brand awareness to introduce and raise the visibility of a brand or product.

At this phase, we want to maximize visibility to a highly relevant audience, with hopes clicks will result in leading to the consideration phase.

Using PPC display ads can be effective if the targeting is on-topic by using keywords, topics, relevant placements, or combination of those.

These targeting tactics are the most general but will offer a wider reach.

Social media PPC ads are a good option for branding since there are so many targeting options based on demographics and interests.

Similarly, search campaigns with more general keywords can be effective for branding.

For example, if the business sells scuba equipment, potentially bidding on "scuba gear" could increase awareness of the product offering.

The downside of this approach is that you will often see higher cost-per-clicks and sometimes irrelevant click-throughs.

The best way to execute this approach is with smart keyword match types and use of negative keywords.

PRODUCT & BRAND CONSIDERATION

In this phase, when users are considering and researching a purchase, it is a great time to reintroduce the brand with more detailed targeting and stronger call-to-action language in the ad copy.

When consumers hit the considerations phase, typically their search queries will become more detailed and specific. They may search for brands and product combinations to research, compare, and read reviews such as 'Samsung 43" TV' or 'LG 43" tv'.

This is a good time to use remarketing with banner or responsive ads to bring the consumer back to the product they viewed.

Another excellent form of targeting is the in-market list which is composed of users whose online behavior and action has indicated they are in the market to buy.

LEADS

When you can't make a sale instantly or online, you want to collect leads to follow up with interested prospects and engage them in a conversation.

All of these ideas are meant to entice the user to call or fill out an online web form.

Calls-to-action might be:

- Request a demo.
- Get a consultation.
- Free trial.

How the lead is followed-up on will vary for each business, but now you have information that can be used for PPC customer match campaigns.

SALES

Consumers who are ready to purchase tend to use words in their search queries that indicate higher intent. This can include things like:

- Model numbers.
- Shipping information.
- Discounts.
- Coupons.
- Financing.

It is good to have separate campaigns that address this phase by highlighting offers, guarantees, warranty information, or your return policy. This reassures consumers that your business is the one to buy from.

Make full use of your ad copy and ad extensions.

Also, try cart abandonment ads and remarketing ads that show the products the user viewed.

Remember to set up the remarketing campaigns so that they are no longer targeted after the purchase.

To do this, set up a "purchasers" list. Exclude that list from the campaign. You will also need it later for repeat sales.

REPEAT SALES

PPC is an excellent way to garner repeat sales if your product or service needs replacement, maintenance, accessories, upgrades or other product cross-sells or up-sells.

In designing the repeat sales approach, ask a few questions:

- How long does the product last or need to be replaced?
- Is there a new and improved model coming out?
- Does the consumer buy multiples?
- Are there opportunities to cross-sell accessories or complementary products?
- What would motivate the consumer to re-purchase from you? Brand loyalty? Fast shipping? Unique features?

Use PPC remarketing and customer match to re-engage previous customers with messaging aimed at what would motivate them to purchase from you again.

Similar to the sales phase, coupons and discounts are always good motivators.

CONCLUSION

A solid PPC account should include numerous goals designed to reach and lead the consumer down the sales funnel to purchase.

It might be helpful to outline this in a chart that contains goals, keywords themes, key messaging, and landing page to get organized and ensure all of the bases are covered.

After launch, review the results and determine how to optimize and allot budgets.

Check the "Attribution" section of the PPC platform or analytics to see campaign paths and assisted conversions to help guide moving forward with a successful account.

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CHAPTER 5

What Is Quality Score & Why It Matters

PPC 101: A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

Written by
Frederick Vallaeys
Co-Founder, Optmyzr.com

SEJ EBOOK

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QUALITY SCORE CAN SEEM LIKE A BIT OF A MYSTERY TO NEW SEARCH ADVERTISERS.

The promise of search advertising is that ads will be shown for selected keywords, so long as the advertiser is willing to pay for the resulting clicks.

But with thousands of advertisers vying for top rankings on the same keywords, there's clearly more to it.

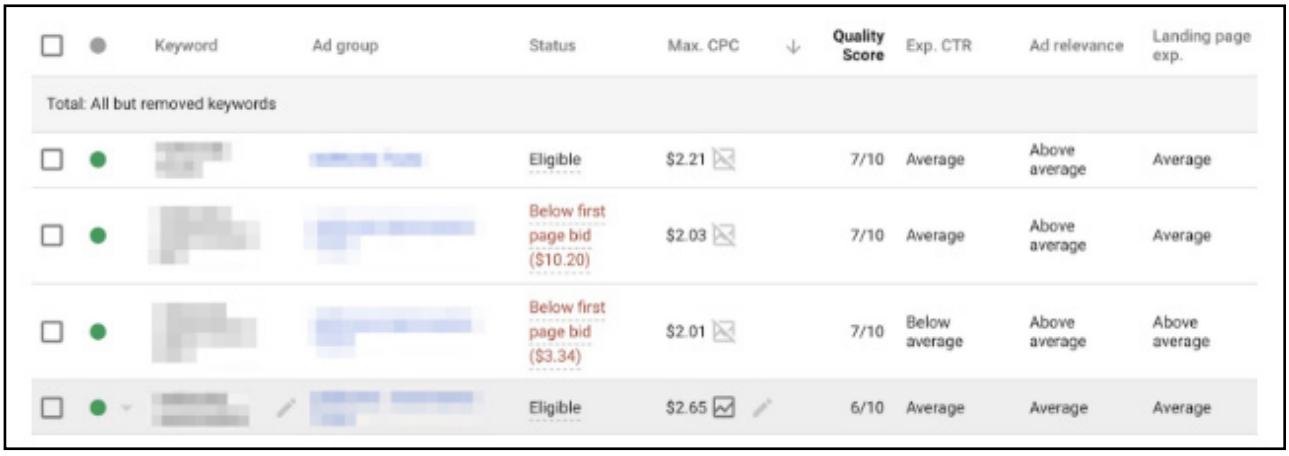
That's where Quality Score comes into play.

Why does Google use Quality Score, how do they calculate it, and how can advertisers improve it? I served on the Quality Score team for AdWords while I worked at Google, so let me shed some light.

WHAT IS QUALITY SCORE?

Quality Score is Google's measure of how relevant a keyword is. As soon as Google has enough data, keywords in an advertiser's account are assigned a score between 1 and 10, with 10 being the best.

This number is a representation of the aggregate relevance of the keyword across the many auctions in which it participates. It is meant to guide advertisers but it is not used to rank ads



Keyword	Ad group	Status	Max. CPC	Quality Score	Exp. CTR	Ad relevance	Landing page exp.
Total: All but removed keywords							
[redacted]	[redacted]	Eligible	$2.21	7/10	Average	Above average	Average
[redacted]	[redacted]	Below first page bid ($10.20)	$2.03	7/10	Average	Above average	Average
[redacted]	[redacted]	Below first page bid ($3.34)	$2.01	7/10	Below average	Above average	Above average
[redacted]	[redacted]	Eligible	$2.65	6/10	Average	Average	Average

Image courtesy of Google.com. Enable Quality Score columns to see the score next to each keyword.

What is used to rank ads behind the scenes of every ad auction, is the real-time Quality Score that takes a lot of additional factors into account.

While the 1-10 number helps advertisers gauge how good a job they are doing at choosing the right keywords, writing good ads, and driving users to helpful landing pages, it's the real-time Quality Score that really matters.

The real-time Quality Score is more granular than a 1-10 number but it is not shared with advertisers because it fluctuates all the time and is different for every single search that happens on Google.

WHY GOOGLE USES QUALITY SCORE

All of that sounds complicated, so why does Google have Quality Score?

They use it to help show more relevant ads to users every time a search happens.

Google depends on revenue from advertising so they have a big incentive to make sure users find the ads interesting and click on them.
If they allowed low-quality ads to take up space that could be filled with more relevant ones, they'd make less money in the short term and risk alienating users in the long term.

While it can sometimes be a struggle to improve Quality Score, it is useful for advertisers too because they like getting the type of high-quality leads that are possible with AdWords.

For those leads to keep coming, advertisers have to do their part in picking relevant keywords and writing compelling ads. And when they do, it can lead to big wins by reducing their CPCs.

How Quality Score Is Calculated

Google has so much data about how users interact with search results that they can use "big data" with machine learning techniques to come up with a measure of the expected relevance of every ad, keyword, and landing page relative to every search that happens.

That's a mouthful, so it's called **Quality Score.**

Rather than asking Google employees to judge the relevance of every keyword, a process that would be hugely time-consuming, subjective, and prone to errors, they use the principle of the "wisdom of the crowds" to assign Quality Score. Specifically, their algorithms monitor what users interact with on the search results page (SERP) to make predictions about future interactions.

At its heart, Quality Score is really a predicted click-through rate (CTR).

In the early days of AdWords, before Quality Score, they used CTR to determine if keywords were low relevance and should be disabled, or pay more to get a good position in the ad auction.

Over time, as machine learning techniques became better, Google started to consider more factors when determining expected CTR and the term Quality Score was introduced to replace the CTR component that had been part of the ad ranking mechanism before.

So the simplest way to think about Quality Score is as a measure of how likely it is that users will click your ad for a particular keyword.

WHY QUALITY SCORE MATTERS

Advertisers care a lot about their Quality Score because it is one of the factors used to decide:

- Which ads are eligible to enter the ad auction.
- How the eligible ads are ranked.
- What actual CPC the advertiser needs to pay.

ENTERING THE AUCTION

Google doesn't want to show irrelevant ads and it's easy to understand why. They charge advertisers primarily for clicks on their ads. If an advertiser uses a very high bid to hog a high position on the page with an irrelevant ad, it won't get clicked on and Google won't make any money.

Search advertising is a direct response advertising model and not a branding model.

For example, while a car manufacturer may think an ad for a new pickup truck would really resonate with someone looking up the score for the big game, that ad is unlikely to garner a click and hence is detrimental to AdWords.

So when Google predicts a particular keyword to be very irrelevant and assigns it a very low Quality Score, that ad may not even enter into the auction for most searches.

On the flipside, having a high Quality Score ensures an ad is eligible to participate in more ad auctions so it moves on to the ranking step.

Ad Ranking

Once Google has selected the keywords and ads that are likely to be relevant for a search, those are entered into the ad auction.

This is a split-second auction where Google evaluates how much each one is bidding (max CPC), how relevant they are (QS), and what other factors like ad extensions may give a boost to the CTR.

Each ad gets a score and the resulting rank determines who gets their ad shown in the top slot, and who misses out on the first page of results.

Advertisers benefit from a higher ad rank because ads in higher positions tend to get more clicks and that means more leads and chances to make a sale.

CPC Discounting

The actual CPC an advertiser has to pay for a click is calculated based on the CPC they would need to maintain their rank above the next ad in the auction.

This discount is the reason most advertisers have an average CPC that is lower than their max CPC.

Advertisers benefit from a higher Quality Score because it means they have to pay less to maintain their position versus their next competitor. In effect, the higher the QS, the less they have to pay for the same click.

How to Improve Quality Score

You can improve Quality Score by improving the relevance of your keywords, ads, and landing pages.

To focus your efforts, start by looking at the relative score of the three subcomponents of quality score:

- Expected click-through rate
- Ad relevance
- Landing page experience

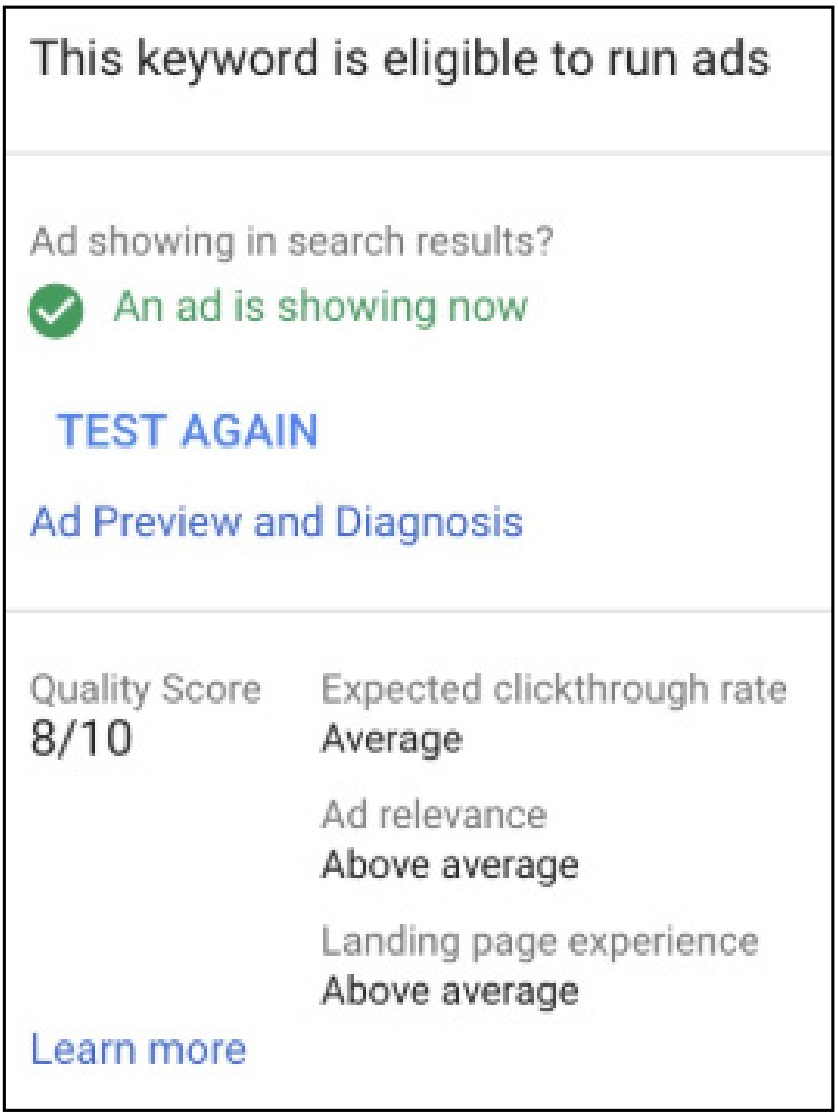


Image courtesy Google.com. The three subcomponents of Quality Score are shown when hovering over the status field for a keyword.

The value for each component will be:

- Below average.
- Average.
- Above average.

So this can guide you towards what to optimize.

EXPECTED CLICK-THROUGH RATE

This is a measure of how likely your ad is to generate a click when the search term is exactly the same as your keyword. If it's low, make sure the keyword is relevant to what you're advertising.

Also consider that your ad may only be relevant in a limited number of cases.

For example, a dog walking service may sometimes be relevant for the keyword 'dog' however there are many searches a user might do including the word dog when they're not looking for your service, but instead need a vet, dog food, or photos of dogs. This will negatively impact the CTR of the keyword and it may be time to consider adding more relevant keywords to the account.

If your keyword is relevant, but this score is low, try writing a stronger ad that is more compelling by highlighting its relevance to the keyword or by including a stronger call to action or unique value proposition.

AD RELEVANCE

This component measures how well the message in your ad matches the keyword. If this component is low, it may be because your ad groups cover too broad a range of themes.

A solution may be to split the ad group into smaller, more tightly themed ad groups.

For example, if you're a pool contractor, keywords like "pool design," "in ground pool construction," and "pool renovation" may all be highly relevant, but when they are all in the same ad group where they share the same ad text, some relevance is bound to be lost.

By having too disparate a list of keywords grouped in one ad group, you can cause the ad that is shown to be too generic or about the wrong theme.

Don't just rely on dynamic keyword insertion, but take the time to properly structure your account by building separate ad groups for each set of closely related keywords.

In the example before, each of the 3 pool related keywords is a different theme and should be in different ad groups.

LANDING PAGE EXPERIENCE

This final Quality Score component measures what happens after a user clicks the ad.

When searchers arrive on your landing page, are they happy they came or do they turn right around and leave?

If this component is too low, make sure that the landing page is closely related to what the user searched for and delivers on the promise in the ad.

Usually deep linking (i.e., linking to a specific landing page) is better than taking someone to the homepage.

Make it easy to use the landing page on both mobile and desktop devices. Make the page load fast and consider using an accelerated mobile page (AMP).

Offer unique and valuable content and treat the user's data with respect.

CONCLUSION

Along with the bid, Quality Score is a major part of how Google decides which ads to show and how to rank them.

A good Quality Score can be just as beneficial as a high bid. In fact, ads with lower bids can beat those of higher paying competitors by having better relevance.

This makes PPC very appealing because it's not just the biggest advertiser who always wins.

Monitor your Quality Score and tackle optimizations when a low Quality Score is holding you back from achieving your targets.

However, don't get so bogged down with Quality Score that you lose track of the ultimate goal, which is to run an efficient business that makes a meaningful connection with new prospects through search marketing so that the people who work at the company make a good living, and users get their problems solved.

CHAPTER 6

What is Click-Through Rate & Why CTR Is Important

Written by
Melissa Mackey
Search Supervisor, Gyro

PPC 101: A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

SEJ EBOOK

SEARCH ENGINES PLACE A HIGH PREMIUM ON A GOOD CLICK-THROUGH RATE (CTR).

After all, in the pay-per-click model, the more someone clicks, the more money that search engine makes.

But CTR is important to advertisers, too.

When a user turns to a search engine, they have a question and are looking for an answer. They are expressing a need or want.

What makes search so great is users are telling you exactly what they are looking for! They've already decided they need something and are now trying to find it.

Creating a relevant paid search ad is your first step as an advertiser in fulfilling that need.

This chapter will explain what click-through rate is, what a good CTR is, how it impacts your ad rank and Quality Score, and when a low CTR is OK.

WHAT IS CLICK-THROUGH RATE (CTR)?

Put simply, click-through rate is the percentage of impressions that resulted in a click.

If your PPC ad had 1,000 impressions and 1 click, that's a 0.1 percent CTR.

As a metric, CTR tells you how relevant searchers are finding your ad to be.

If you have a:

- High CTR, users are finding your ad to be highly relevant.
- Low CTR, users are finding your ad to be less relevant.

The ultimate goal of any PPC campaign is to get qualified users to come to your website and perform a desired action (e.g., make a purchase, fill out a lead or contact form, download a spec sheet).

CTR is the first step in the process to improving your ad's relevancy and generating those desired actions.

WHAT IS A GOOD CTR?

So what's a good click-through rate? Clients ask me this all the time.

The answer, as with many things in PPC, is "it depends."

CTR is relative to:

- Your industry.
- The set of keywords you're bidding on.
- Individual campaigns within a PPC account.

It isn't unusual to see double-digit CTR on branded keywords when someone is searching for your brand name or the name of your branded or trademarked product.

It also isn't unusual to see CTRs of less than 1 percent on broad, non-branded keywords.

HOW CTR IMPACTS AD RANK

CTR is not just an indication of how relevant your ads are to searchers. CTR also contributes to your Ad Rank in the search engines.

Ad rank determines the position of your ad on the search results page.

That's right – PPC isn't a pure auction.

The top position doesn't go to the highest bidder. It goes to the advertiser with the highest Ad Rank. And CTR is a huge factor in the Ad Rank formula.

But Ad Rank is even more complicated than that. Google measures your **actual CTR against an expected CTR.**

So if you've run a lot of ads with a low CTR, Google will assume that any new ads you add to your AdWords account are also going to have a low CTR, and may rank them lower on the page.

This is why it's so important to understand the CTR on your ads and to try to improve it as much as possible.

A poor CTR can lead to low ad positions, no matter how much you bid.

HOW CTR IMPACTS QUALITY SCORE

Quality Score is a measure of an advertiser's relevance as it relates to keywords, ad copy, and landing pages.

The more relevant your ads and landing pages are to the user, the more likely it is that you'll see higher Quality Scores.

Quality Score is calculated by the engines' measurements of expected click-through rate, ad relevance, and landing page experience.

A good CTR will help you earn higher Quality Scores.

WHEN A LOW CTR IS OK

Since CTR is so important, should you optimize all of your ads for CTR, and forget about other metrics, like conversion rate?

Absolutely not!

Success in PPC is not about Ad Rank and CTR.

I could write an ad that says "Free iPhones!" that would get a great CTR. But unless giving away iPhones is the measure of business success for me, such an ad won't help my business become profitable.

Always focus on business metrics first, and CTR second.
If your goal is to sell as many products as possible at the lowest possible cost, then you should optimize your PPC campaigns for cost per sale. If your goal is to generate leads below a certain cost per lead, then optimize for cost per lead.

Unless your business goal is to drive lots of PPC traffic, CTR should not be your main KPI.

In fact, there are times when a low CTR is OK – and maybe even a good thing.

One of those times is when dealing with ambiguous keywords.

Ambiguity is a necessary evil in any PPC program. People may search for your product or service using broad keywords that mean different things to different people.

Here's an example: "security."

Let's say you run a company that sells physical security solutions to businesses to protect them from break-ins. Your company wants to bid on the term "security" to capture users who are just beginning to think about their security needs. Sounds like a great strategy, and it can be.

But "security" can mean a lot of different things.

People might be looking for:

- credit card security
- financial security
- data security
- home security
- security guard jobs

And that's only five examples I thought of in a few seconds. See how disparate those are?

Let's say you decide to bid on "business security," since it's more relevant.

It's still a broad term – and your CTR might not be great. But let's also say you get a lot of leads from that keyword, at a good cost.

Should you pause that term because of a low CTR?
Of course not!

Always let performance be your guide.

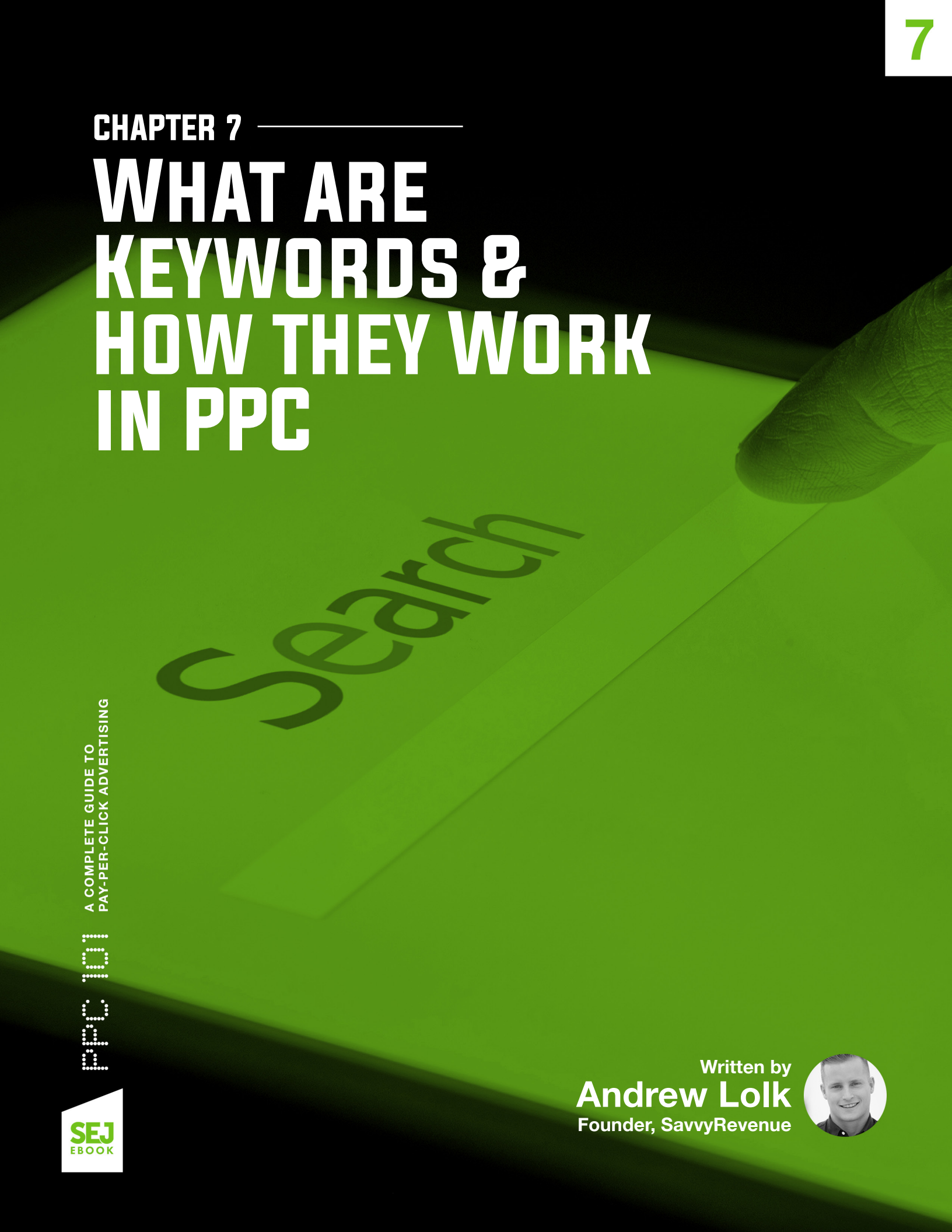
Low CTR is perfectly fine, as long as your keywords and ads are performing well based on your business objectives.

CONCLUSION

CTR is an important metric for PPC managers to understand and monitor. Optimizing for CTR, while also optimizing for business metrics, will lead to successful PPC campaigns.

CHAPTER 7

WHAT ARE KEYWORDS & HOW THEY WORK IN PPC



PPC 101: A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

SEJ EBOOK

Written by
Andrew Lolk
Founder, SavvyRevenue

KEYWORDS ARE THE FOUNDATION FOR EVERYTHING IN PPC.

Keywords are what you use to define where your ads should appear.

Without a solid understanding of what keywords are and how to use them effectively, you'll never be successful with PPC.

Before getting started, it's important to understand some of the terminologies in this guide.

- **Search Term:** The word or words a user types into Google when performing a search.
- **Keyword:** A word, or a set of words, that you add to your Google AdWords campaigns.
- **Keyword Match Type:** A setting for your keywords that will determine the keyword's reach.

TYPES OF KEYWORDS

When you think of keywords, it's useful to understand what buckets the different keywords are in and how this sets them apart.

The types of keywords include:

- **Branded keywords** include company names (e.g., Amazon, Target).
- **Generic keywords** typically cover ambiguous keywords, and can also be referred to as short tail keywords (e.g., "running shoes," "plumbing," "towing"). The gist of a generic keyword is that we don't understand their intent yet. There is nothing in the search that shows us whether this person is looking to buy a pair of shoes, or if they are just searching for different kinds of shoes.
- **Transactional keywords** are keywords that have both a strong and weak purchase intent. As long as there is some purchase intent, then you can label a keyword a commercial keyword. This is everything from "Nike running shoes" to "plumbing services."
- **Locational keywords** cover everything that's related to a location and are very powerful for location-based companies. Often these are your typical home services. It can be a city name (e.g., "towing company San Francisco") or an actual request to show ads that have companies "near me" (e.g., "towing company near me").
- **Long-tail keywords** cover keywords that consist of more than 3-4 words (e.g., "Nike running shoes for marathon"). They are typically

highly transactional meaning they have higher conversion rates than the other keyword types.

- **Informational keywords** cover keywords where people are simply looking for information. This can be anything from "Sears store directions" to "how to get rid of a wart." You would rarely use info-keywords for Google AdWords.

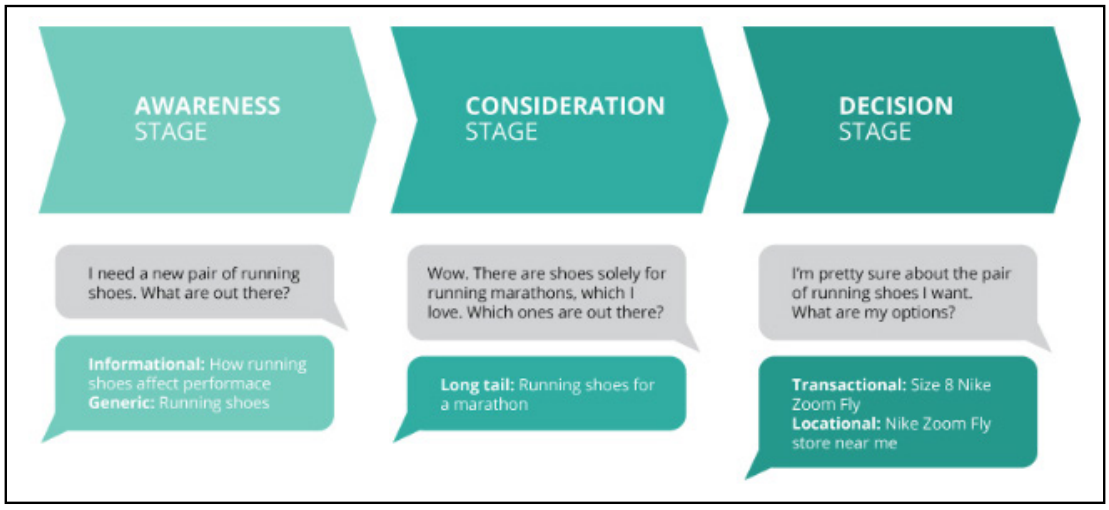
Quick note: The buckets above are not either or. Just because a keyword is "long" doesn't mean it can't also be a branded or an info-keyword.

KEYWORDS ACROSS THE BUYER'S JOURNEY

The type of key term a person uses in their search often reflects where they are in their buyer's journey.

It's important to note, however, that it's impossible to know exactly where in the buyer's journey someone is solely based on what keyword they use, but it can be a strong indicator.

Consider the following chart as a gliding transition rather than hard limits:



CORE KEYWORDS VS. QUALIFIERS & MODIFIERS

When you work with keywords in PPC, it's very helpful to know the difference between a core keyword and a keyword qualifier/modifier.

I should note that this is not official terminology.

- **Core keyword:** This is like the main keyword (e.g., "plumbing" or "running shoes").
- **Keyword qualifier/modifier:** Searchers will often add qualifiers or modifiers (e.g. "cheap," "near me," or "marathon").

The reason why it's important to understand the difference between core keywords and qualifiers/modifiers is that if you only have one core keyword in your account you'll end up paying a lot per click and have a very narrow reach.

If you're a plumbing company, and you have following keywords, you're essentially just bidding for one core keyword:

- **Plumbing** services
- **Plumbing** contractor
- **Plumbing** company
- Nearest **plumbing** company

For the beginner in PPC, these all appear to be four different keywords. However, if you look closely then they're all the same keyword (plumbing).

Instead, you need to remember to continue to find new core keywords across the entire spectrum:

- Leaky pipes
- Gutter repair
- Broken water pipes
- Water heater repair
- Waste disposal installation

You should still have all of the keywords that I listed to being with, it's just important you don't get stuck with the same keyword.

KEYWORDS AREN'T EXACT

One of the biggest "aha" moments you'll have as a beginner in PPC is when you find out that when it comes to keywords, what you see is never what you get.

As I'll highlight in the match type section below, just because you use the keyword "Nike trail running shoes," it doesn't mean your ads will only appear when someone search for "Nike trail running shoes."

The reason is rather ingenious, and insane, on Google's behalf. Because not even experts would be able to cover all searches with keywords if every single keyword should exactly matching a search.

KEYWORD MATCH TYPES

One of the first things you need to understand about keywords is that there are different match types.

Depending on what match type your keyword is in, it will behave differently.

This is one of the unknown "hacks" that people who've worked in PPC for any time take for granted.

There are four different match types. The difference between the match types come down to how much you want each match type to be expanded.

BROAD MATCH

To add a keyword in broad match, just add it as is: running shoes

Broad match keywords are like shooting a shotgun. You choose the overall area you want to target (the keyword), but Google can expand your keyword, sometimes to completely different searches than you anticipated.

As an example, the broad match keyword "protein powder" can also show ads for searches like:

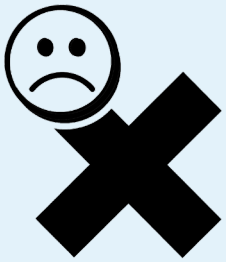
- Protein supplement
- Protein
- Dietary supplements
- Larger muscles

With broad match keywords, Google tries to show your ad when searchers look for relevant terms.

Broad Match Pros & Cons

Pros

- You can cover a lot of misspellings and keyword variations with a single keyword.
- You'll discover high-converting long tail keywords that you'd never thought of.
- Broad Match keywords receive many more impressions/clicks than any other match type.
- It can be extremely effective!



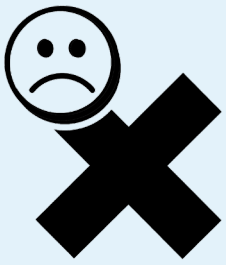
Cons

- Many searches/clicks = High costs.
- High risk of losing money to irrelevant searches.
- Hard to control, especially with single-worded keywords.

BROAD MATCH MODIFIED

To add a keyword in broad match modifier, add it with plus signs: +running +shoes

BROAD MATCH MODIFIED PROS & CONS



PROS

- Much better control of which searches you want your ads to appear on.
- Very good for finding new long tail keywords.
- Your ads will still appear although the search phrase has an extra word or different word order.
- Catches misspellings.

CONS

- Lower search volume than with Broad Match.
- Can still be expanded to seemingly irrelevant searches.
- No easy way to create keywords in Broad Match Modifier.

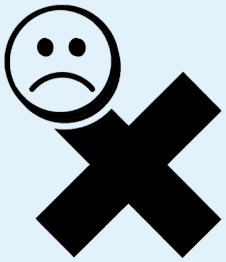
PHRASE MATCH

To add a keyword in phrase match, add it with quotation marks: "running shoes"

PHRASE MATCH PROS & CONS

PROS

- Greater control on what queries you'll be shown.
- Very effective for sentences.
- Effective for avoiding greater expansions.



CONS

- Reduced search volume
- Is a lot more restrictive than Broad Match Modifier with very few benefits.

EXACT MATCH

To add a keyword in exact match, add it with brackets: [running shoes]

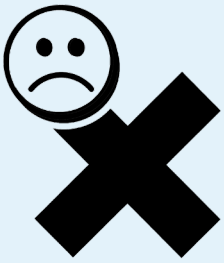
An exact match keyword is more or less that. Only search terms matching that almost exact keyword will trigger your ad to be shown.

Exact match keywords are like the snipers of the keyword match types. Precise, direct, and on point.

EXACT MATCH PROS & CONS

PROS

- You know exactly what search is used.
- Perfect for controlling high-converting keywords.
- What you see is what you get.



CONS

- Much lower search volume for your keywords.
- You can't discover new keyword variations or long tail keywords.
- You miss "one time searches".

After you've fully mastered these, you can move on to an advanced match type that merges Phrase Match and Broad Match Modifier into a single keyword. To learn more, view the SEJ article: **The Fifth AdWords Match Type: Phrase Match Modifier**

WHICH MATCH TYPE SHOULD YOU USE?

When you first set up your campaign, I recommend you use Broad Match Modifier and Exact Match.

As you can see in my review of the four match types, each one catches different users; so in most cases, you will use them all in an effective AdWords campaign.

The only but (and it's a big but) is that you should wait with using broad match until you really know what you're doing.

Your AdWords performance can easily tank when you use broad match keywords without a specific strategy or workflow to optimize them.

Gradually, as your campaign gathers statistics, you might find that some of the match types for a particular keyword are not profitable, but others aren't.

For more practical uses for keyword match types, read this post on **6 Ways To Optimally Use Keyword Match Types for AdWords Success.**

NEGATIVE KEYWORDS

Negative keywords are used to *exclude* your ads from showing on searches.

Let's say you're a plumbing company, then excluding searches for "jobs" or from cities you don't service will help increase the performance of your Google AdWords campaigns.

In the ecommerce space, let's say you sell marathon running shoes, but not trail running shoes, you can exclude "trail" from triggering your ads.

This is powerful because you're more or less paying the same for every click the same keyword generates. This means you can end up paying for clicks that aren't as relevant for your business as you might have thought.

This is **one of the main reasons why beginners can't get AdWords to perform.**

You may think you have chosen the right keywords, written good ads, and are sending good traffic to a website. However, behind the keyword you often find your ads are triggered by search terms that aren't as relevant as the keyword you added.

You can, and should, work with negative keywords in two capacities:

- Before launching your campaigns
- After launching your campaigns

When you're done finding keywords for your campaign, spend at least half an hour to an hour Googling the keywords to see what pops up. Add any irrelevant terms you can find as negative keywords.

You can take advantage of a ton of standard negative keyword lists.

After launching your campaigns, you should consistently review your Search Term report. This is where you can see exactly what search terms your searches triggered your ads.

Use this information to add new negative keywords on an ongoing basis.

CHAPTER 8

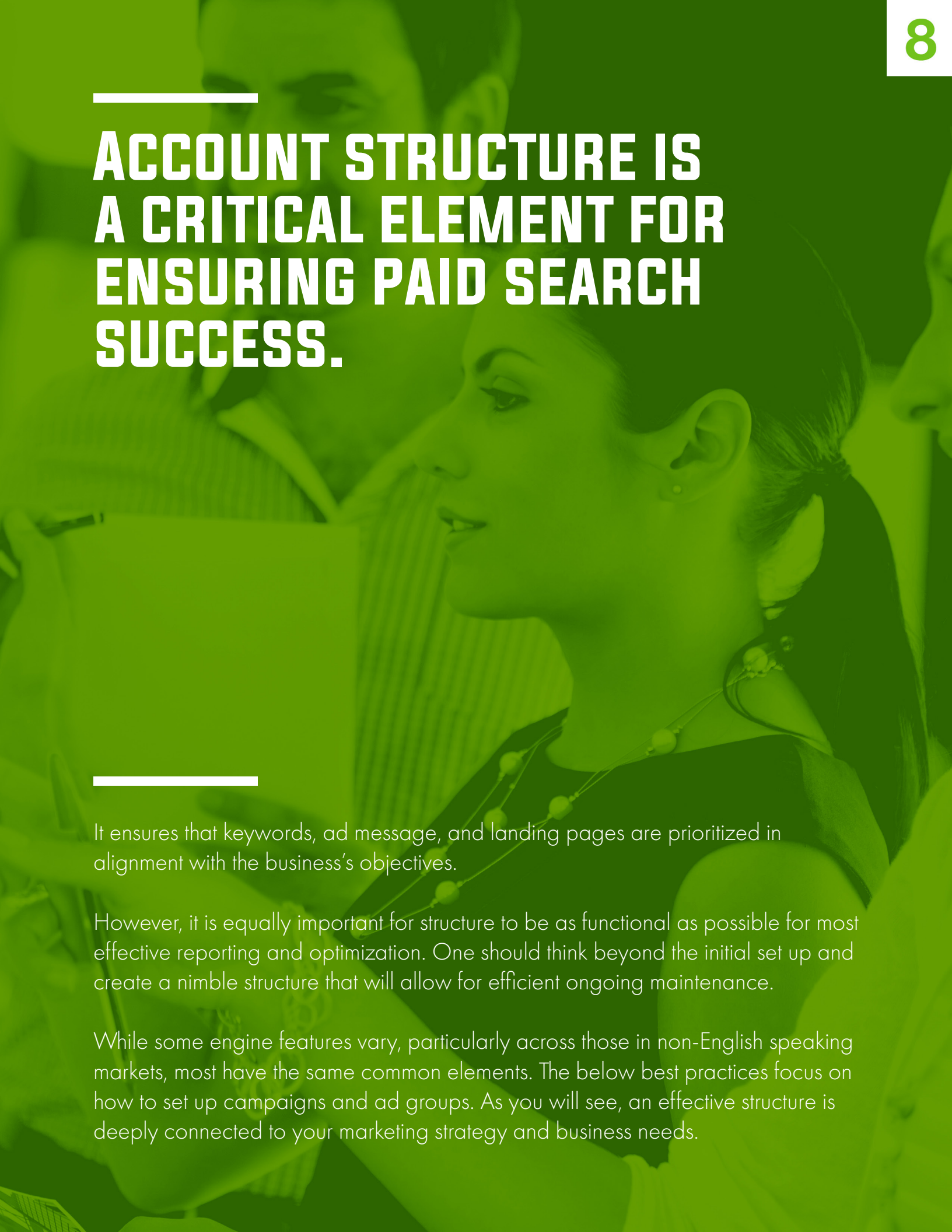
Ad Group Best Practices: How to Create & Structure Your Ad Groups

PPC
A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

SEJ EBOOK

Written by
Ilya Cherepakhin
Executive Media Director, Acronym

ACCOUNT STRUCTURE IS A CRITICAL ELEMENT FOR ENSURING PAID SEARCH SUCCESS.



It ensures that keywords, ad message, and landing pages are prioritized in alignment with the business's objectives.

However, it is equally important for structure to be as functional as possible for most effective reporting and optimization. One should think beyond the initial set up and create a nimble structure that will allow for efficient ongoing maintenance.

While some engine features vary, particularly across those in non-English speaking markets, most have the same common elements. The below best practices focus on how to set up campaigns and ad groups. As you will see, an effective structure is deeply connected to your marketing strategy and business needs.

CAMPAIGN SET-UP BEST PRACTICES

When deciding what and how many campaigns to have, as a guide, use campaign settings and consider what searches you will want to have maximum coverage. Targeting and budget are the most critical ones.

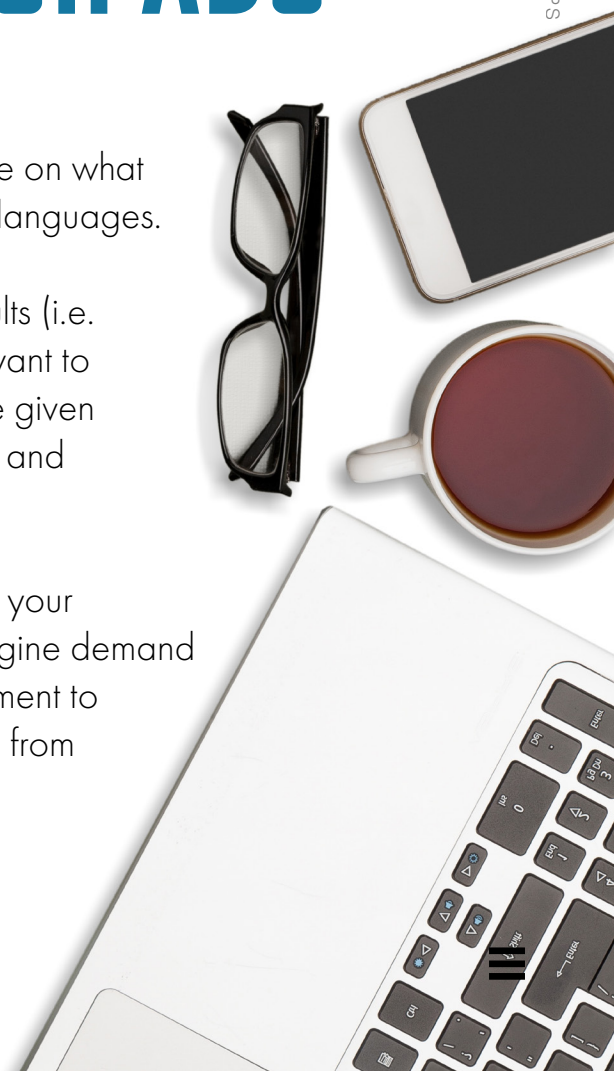
For cleanest reporting, it is recommended to set up a new campaign for each combination of targeting and budget needs. This will allow to easily track how much is spent and what performance you derive from all areas.
In terms of coverage, it is a best practice to fully fund your own brand terms followed by supplier brand terms and anything that is likely to drive a high ROI.

WHERE SHOULD YOUR ADS SHOW?

First, consider where do you want your ads to run. Evaluate on what engine's network you should run, in what geography and languages.

It is often assumed that ads would show up on search results (i.e. search network only). However, in some cases you may want to run on syndication sites or even the display networks of the given engine. Take a moment to check which network you need and select the right setting.

For geography, it is tempting to have the same footprint as your business does with other media. However, your search engine demand may differ from where your offline sales occur. Take a moment to research where search engine demand is likeliest to come from



(DMA, cities, states, regions, countries). Then, set up a couple individual campaigns for your top markets with. If budget allows, also create one extra "catch all" campaign to cover remaining traffic in the rest of the possible places where your consumers may come from. For example, a Boston retailer may create campaigns for the Boston metropolitan area, neighboring counties, New England, and the rest of the U.S.

While it is tempting to select English or all languages, do research where the bulk of the traffic will come from and if your site fully supports that. If you could be targeting multiple languages, do create multiple campaigns for each language version. For example, if in our earlier example the Boston-based retailer sold flags of countries around the world, its site supported 3 languages and it shipped only to US and Canada, its structure could look something like this.

1. English_Boston metropolitan area
2. English_neighboring counties
3. English_rest of New England
4. Spanish_New England
5. English_US
6. Spanish_US
7. English_Canada
8. French_Canada

Notice that there isn't a Spanish and French version to mirror each English campaign. That is due to search volume not justifying that.

FOLLOW THE MONEY

Before you finalize the structure, consider your budgeting and reporting needs. As mentioned earlier, there will be some terms you will want to fully fund. For example, your own brand terms and, if you are a reseller, your supplier terms. As budget lives at the campaign level, anything needing to have dedicated budget deserves its own campaign.

Using our hypothetical retailer, assuming they are not a reseller, they should have 16 campaigns instead of the above mentioned 8 – 8 for branded terms and 8 for non-branded terms. Unless, due to special reporting requirements, budgets have to be managed against organization parameters.

Let's imagine that there are cheap flags (with 3 or fewer colors or less that are much cheaper to produce), and the retailer wants to prioritize selling those, allocating more budget towards them. In that case, 32 campaigns would be needed

Brand-English_Boston metropolitan area-3colors	Brand-English_Boston metropolitan area-Multi
Brand-English_neighboring counties-3colors	Brand-English_neighboring counties-Multi
Brand-English_rest of New England-3colors	Brand-English_rest of New England-Multi
Brand-Spanish_New England-3colors	Brand-Spanish_New England-Multi
Brand-English_US-3colors	Brand-English_US-Multi
Brand-Spanish_US-3colors	Brand-Spanish_US-Multi
Brand-English_Canada-3colors	Brand-English_Canada-Multi
Brand-French_Canada-3colors	Brand-French_Canada-Multi
Generic-English_Boston metropolitan area-3colors	Generic-English_Boston metropolitan area-Multi
Generic-English_neighboring counties-3colors	Generic-English_neighboring counties-Multi
Generic-English_rest of New England-3colors	Generic-English_rest of New England-Multi
Generic-Spanish_New England-3colors	Generic-Spanish_New England-Multi
Generic-English_US-3colors	Generic-English_US-Multi
Generic-Spanish_US-3colors	Generic-Spanish_US-Multi
Generic-English_Canada-3colors	Generic-English_Canada-Multi
Generic-French_Canada-3colors	Generic-French_Canada-Multi

Notice how the naming convention is succinct, reflects all key aspects and uses special characters to separate them. This is key for reporting and filtering with the engine tools and any offline analysis you will do.

AD GROUP BEST PRACTICES

Start by clustering your desired keywords by themes. These should be as narrow as reasonably possible to avoid overlap in targeted searches. With our flag store example, each keyword cluster could be for terms around flags of a specific country. These clusters will not necessarily translate into ad groups.

Before transforming your keyword clusters into ad groups, consider Match types, audience targeting and messaging.

MATCH TYPES

For best efficiency and to simplify negative matching, it is recommended to create duplicate groups by match type. Known as match type mirroring, this best practice entails each group having only terms of one match type.

Exact Match groups should perform the best and not need negatives barring unusual circumstances. Phrase and Broad Match groups usually perform less well and are the focus for negative matching.

To note, to group cannibalization, you will need to have your Exact Match positive terms as negatives in Phrase and Broad groups.

Match type group mirroring also has budgetary benefits. At times of limited budget, it is much easier to pause less performing match types with them isolated in different groups.

If you have a very high-volume campaign and need superior control over costs, another approach can work: mirror match types by campaign so each campaign only has groups and terms of one match type.

AUDIENCE TARGETING

If you want to target different user groups based on their behavior, you will need to further clone your groups based on audience targeting. As audience targeting can be also set at campaign level, this is recommended more for higher level campaigns.

It can be tempting to create a very detailed structure. If it is starting to look complex, it probably is. Consider starting a new account. Not everything needs to live within one engine account and multiple ones are often needed for larger advertising efforts, particularly with multiple sources of budget involved.

Consider also using filters and labels. These elements will allow you to quickly report on various parts of your account or campaign, without using an overly complex naming convention for campaigns and groups.

Finally, structure is not a static element. Do review it periodically especially if there are website updates. Site content and landing page changes are opportunities to improve your structure and better support the digital marketing strategy.

CHAPTER 9

What You Need to Know About PPC Budgets & Bidding

Written by
Adam Proehl
Partner and Co-founder, NordicClick Interactive

SEJ EBOOK

A PPC BUDGET IS HOW MUCH MONEY IS COMMITTED TO ONLINE TRAFFIC ACQUISITION EFFORTS

Since advertising charges only accrue after a prospect clicks on your ad.

What should the monthly amount be?

Here are three ways to estimate this.

How to Determine a PPC Budget

Establish a Profitability Goal

If there is a measurable outcome for your campaign, then back into your ideal budget by first knowing the answers to these critical business questions:

- Average Order Value (AOV)
- Gross Margin Percentage ((Revenue – Cost of Goods Sold)/ Revenue =Gross Margin)
- Cost per Acquisition (if unknown, set a goal to remain profitable)

Say your company would like to see the AdWords program drive $5,000 in profits in month one. You know the average order value of your product is $450 per sale, and the gross margin is 55 percent. You would want to budget $7,375 per month for click fees, and never exceed a $147.50 cost per acquisition while running the ad campaign.

Number of Sales * AOV * Margin – Budget = Profit

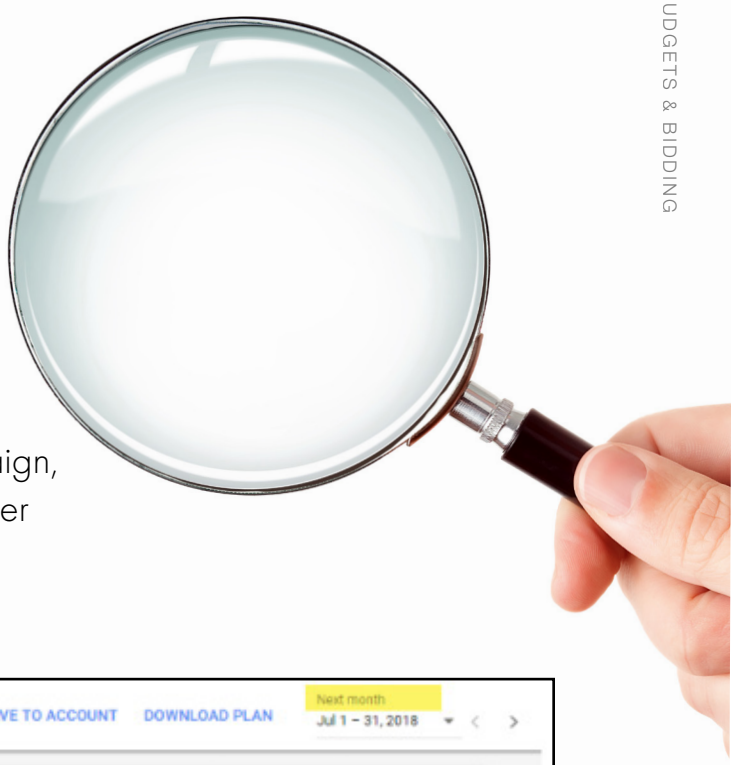
50 sales * $450 of revenue per sale * 55% Profit Margin – monthly AdWords budget = $5,000 in profit in the first month.

Use this equation to determine your ideal budget.

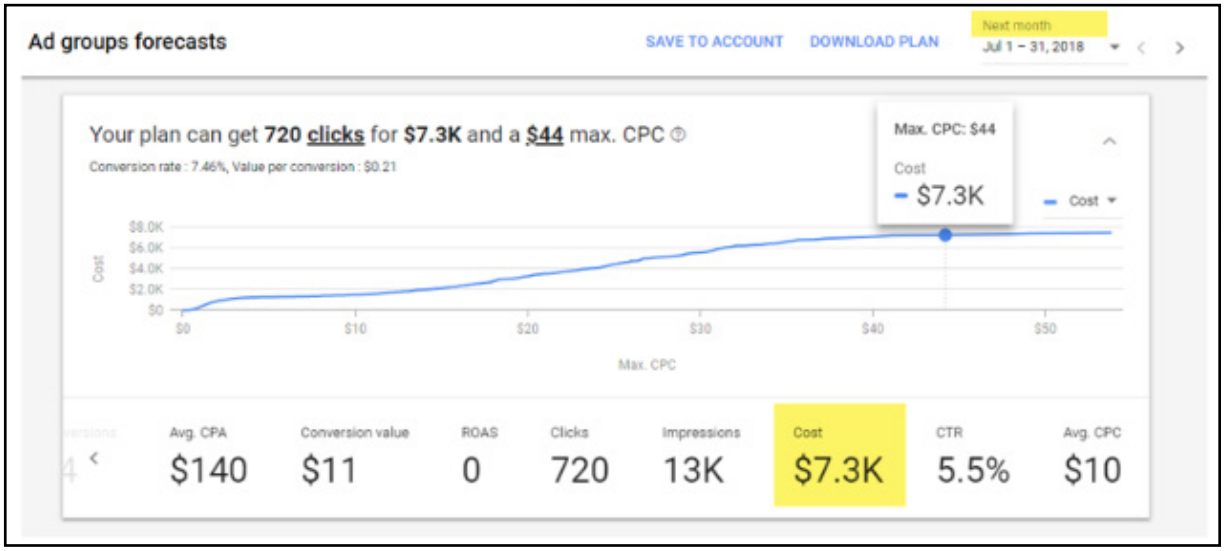
Identify Keyword Themes by Intent

A paid search campaign won't spend money if your selected keyword themes don't have a high enough search volume (aka the number of people searching these keywords each month) to produce the number of click on your ads to spend the budget. Therefore, conducting keyword research ahead of budget planning can be done to determine a realistic monthly budget.

By using tools such as the AdWords keyword planner you can forecast what the monthly spend could be for your location(s) as the tool can estimate the cost per click for your keywords and click through rate, dependent on volume.



If no data is available that's a good indicator there aren't enough people searching for your product offering to justify a paid search campaign, so a display or video campaign may be a better option.



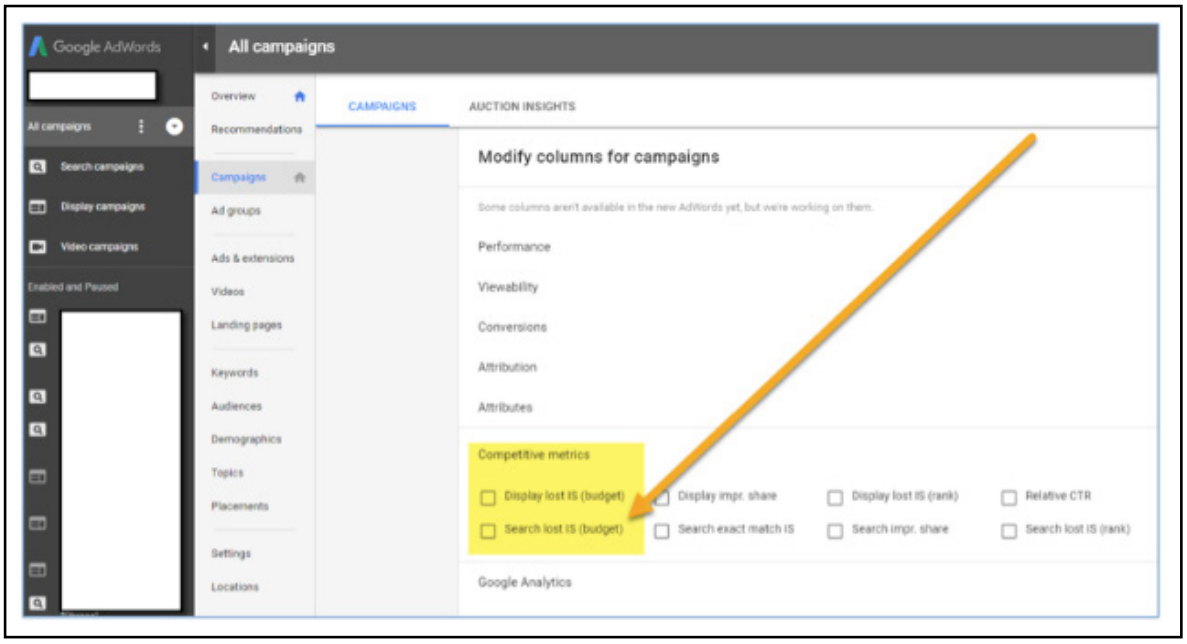
By relying solely on this, however, business goals may not be met as the cost per acquisition could exceed the threshold needed to remain profitable. It is recommended to use this method in conjunction with the first option outlined.

ANALYZE PAST PERFORMANCE

If you have a paid search program running, use this option to analyze whether your budget is high enough to fully fund every keyword theme you are bidding on. Look specifically at the metric **"impression share lost due to budget"** under the 'competitive' metrics section of columns to show in AdWords.

In order to add Search Impression Share Lost – budget (on the new AdWords interface), select the three-bar "Modify Column" icon.

Then check the following boxes:



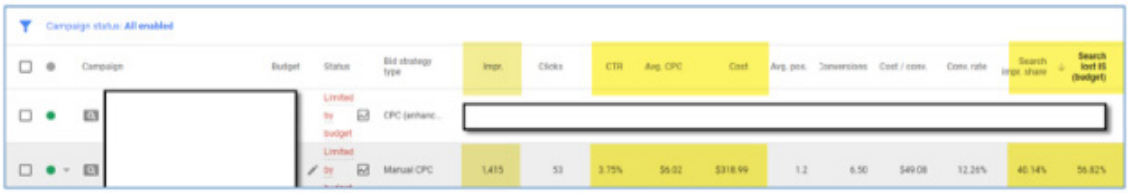
When this metric shows anything above 0 percent, your company's ads are not present as often as they could be because of your budget.

On the Google Search Network, it means people are looking for things related to the keywords you are using to trigger an ad, but because there is no more budget your ad cannot show.

DO THE MATH

To reduce the percentage, increase your average daily budget for the impacted campaign (provided your success metrics are being met).

To know exactly how much to increase it by, select a date range of "last 7 days", and divide the number of impressions actually served by the Search Impressions share percentage.



1,415 impressions / 40.14% (Search Impression Share Column) = 3,525 impressions (max. number of ad impressions possible for this campaign for the seven-day date range)

Once the maximum number of impressions is known, follow the formula below:

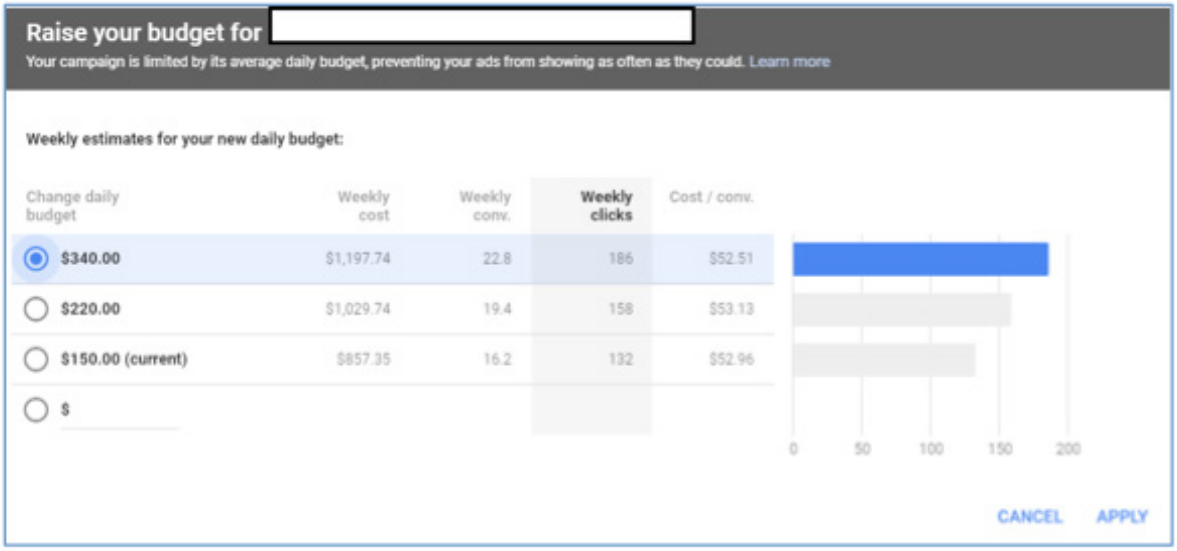
- 3,525 impressions x 56.82% (Search lost IS [budget] column) = **2,003 missed ad impressions simply due to the budget being exhausted**

- 2,003 missed impressions x Click-Through Rate for campaign, 3.75% CTR **75 clicks were missed!**

- 75 clicks x Average Cost per Click, $6.02 Avg CPC =**$452 more needed per week** to fully fund this specific campaign

- $452 + $318 actual weekly spend, divided by the 5 days of the week the ads run, means the average daily budget should be $154 per day

You could use the "budget explorer" tool available within the interface, but too often Google's budget recommendation far exceeds the estimates derived by using the Impression Share metrics and equation shown above.



Here, Google is recommending $340 /day when the formula above determined $154/day would be sufficient.

Tip: Keep in mind that Google can overspend your daily budget on an individual day, but over the course of a month it won't spend more than your daily budget times 30.4.

That said; take the limited budget flag with a critical eye.

Look at the time of day reports to see when/if you're running out of budget before increasing it.

If increasing your budget is not an option, then working to improve your keyword Quality Scores may be the best option as that can work to decrease the amount you are required to pay per click and ultimately the amount spent.

THE ROLE OF CAMPAIGN HIERARCHY IN A PPC BUDGET

Once the overall monthly budget is determined, how it's allocated within the ad platform is typically done at the campaign level.

Campaign hierarchy is defined by performance goals from an ROI standpoint; influenced by the ad groups housed within that campaign as they contain your keyword themes (i.e., the intent behind the search query).

Lower-funnel keyword themes that are likely to drive people to complete a successful action on your website are usually awarded the most budget.

This is why it's important to research relevant keywords as part of your budget projections and finalize campaign structure by grouping tightly themed keywords into a profitable campaign hierarchy.

Campaign hierarchy and organization will depend on your goals and where you want to be visible in terms of branded versus high-priority, non-brand keyword themes.

PPC BIDDING BASICS

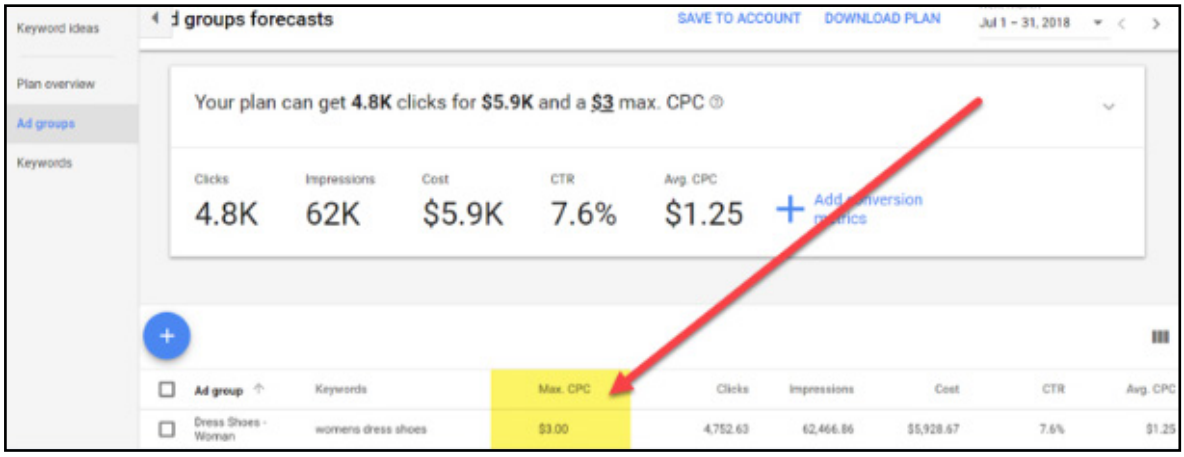
In relation to Search Network campaigns, there are many different bid strategies an advertiser can test.

Bidding automation is becoming more popular, but manually setting a bid may be the best option up front if you do not have historical data.

Manual bidding can be done at the ad group level, so all keywords housed within share the same bid, or at the keyword level to add more control over spend.

Tip: When first starting out, assign bids at the ad group level to collect data before making decisions at the keyword level.

Use the Google AdWords Keyword Planner (after setting up your AdWords account) to determine what the estimated maximum cost per click (aka Max CPC) is that is needed to collect your initial set of performance data.



Once 100 clicks have been reported for a keyword, there should be enough data available to provide insight into how to adjust the Max CPC bid at a keyword level.

FINAL PRICE PAID PER CLICK

Setting a bid doesn't mean that's what you're getting charged.

The actual amount you pay per click is determined by auction time competition, Ad Rank thresholds, and your ad's quality.

In simple terms, you only need to pay $0.01 more to beat the advertiser with an Ad Rank below you.

KNOWING THE OPTIMAL BID

The position of your ad is determined by your ad rank, which is a calculation computed by an algorithm and influenced by your bid and relevancy.

The highest Ad Rank takes the top spot.

Advertisers with high Quality Scores will be awarded higher Ad Rank even with a lower bid; therefore, to remain profitable, it's recommended you increase the keyword's Quality Score before simply increasing that keyword's bid.

Changing the Max CPC amount depends on your goals.

You must find the ideal bid after data is accumulated in order to determine whether the traffic acquired is completing the action on your website that you intended them to do, and at a cost that is in line with your ideal cost per acquisition.

For example, if the keyword is reported to trigger your ad in a position above 1.8 on average, you may want to decrease the bid to lower spend, and ultimately, your cost per acquisition, although that change may decrease your visibility and/or click-through rate.

This is where the skill of mastering manually bidding comes in, and why bidding automation is becoming more popular.

Also, once you have campaign performance data that showing clear patterns, you can use what's a "Bid Modifier". This allows you to bid up or down based on:

- User device (desktop, tablet, phone)
- Location
- Time of day

BIDDING AUTOMATION

Automation can help free up day-to-day bid monitoring.

Moving away from manual bidding to "bidding automation" is becoming more of a reality now that the advancements in algorithm bidding are being realized.

Currently, there are seven automated bidding strategies available in Google AdWords, each dependent on a different business goal:

- Maximize clicks
- Target search page location
- Target outranking share
- Target CPA
- Enhanced cost-per-click (ECPC)
- Target ROAS (return on ad spend)
- Maximize conversions

Once you have enough data from your manual bid strategy to benchmark performance, testing these by running an AdWords experiment against the manual bid strategy is a logical next step for account optimization.

Author's note: *Thanks to the following for helping contribute to the writing of this chapter: Rachele Burton, Luci Bessinger, Brooke Osmundson, Adam Dardine, Katie Kennedy, Jared Drahonovsky, and Garrett Taylor.*

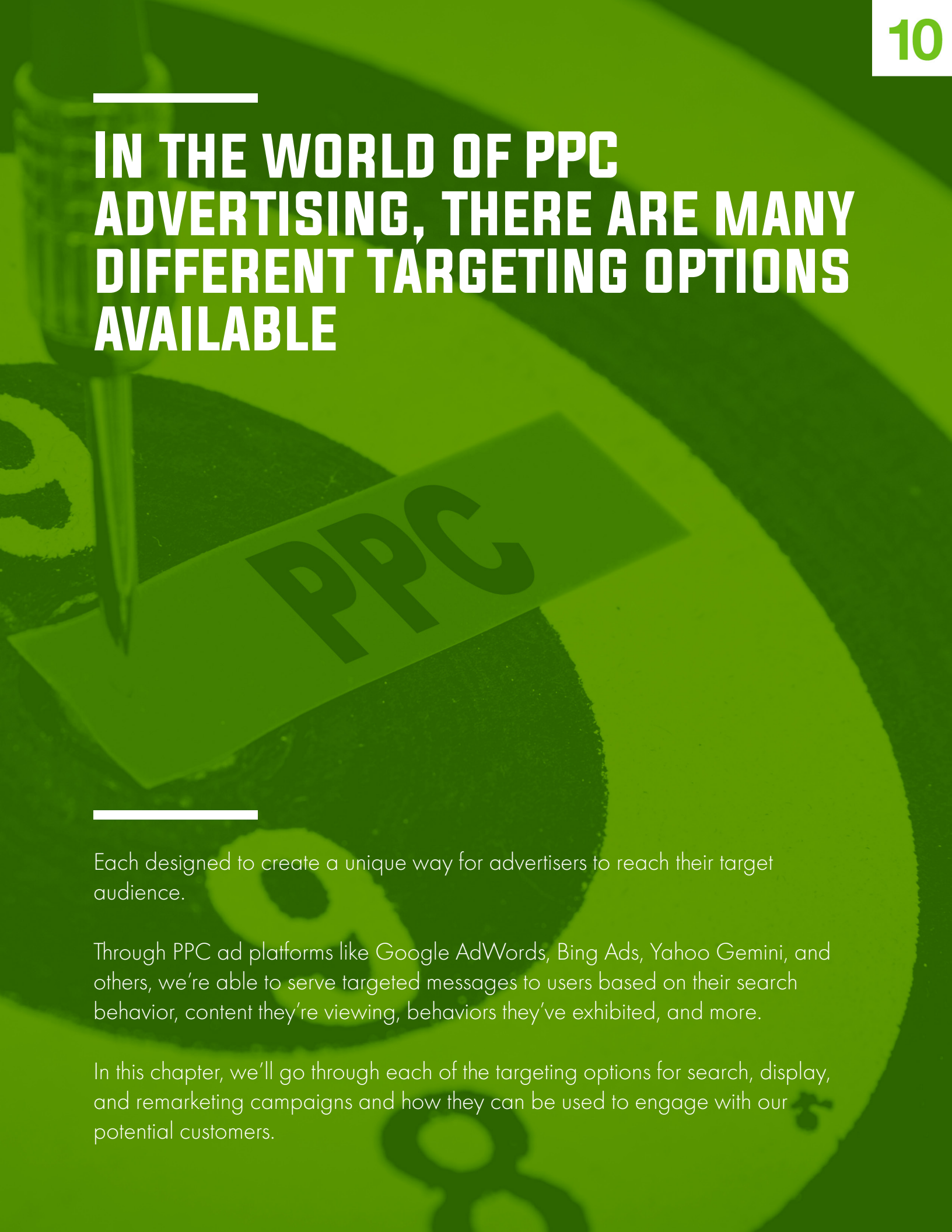
CHAPTER 10

A Complete Guide to PPC Ad Targeting Options

Written by
Michelle Morgan
Director of Client Services, Clix Marketing

SEJ EBOOK

IN THE WORLD OF PPC ADVERTISING, THERE ARE MANY DIFFERENT TARGETING OPTIONS AVAILABLE



Each designed to create a unique way for advertisers to reach their target audience.

Through PPC ad platforms like Google AdWords, Bing Ads, Yahoo Gemini, and others, we're able to serve targeted messages to users based on their search behavior, content they're viewing, behaviors they've exhibited, and more.

In this chapter, we'll go through each of the targeting options for search, display, and remarketing campaigns and how they can be used to engage with our potential customers.

SEARCH TARGETING

This is the most common type of targeting.

Search campaigns are a powerful strategy for marketers, allowing you to reach users when they are actively searching for information.

By showing an ad on a search engine results page (SERP), you're in a position to answer the user's query and potentially influence them to make a purchase.

So how do you show up on these SERPs?

By bidding on keywords.

KEYWORDS

Keywords are phrases advertisers use to tell platforms like Google and Bing what searches we want to show up for.

When someone goes to Google and types in "red shoes", Google will scan your account to see if you have the keyword "red shoes" in your account. If you do, then you're eligible to show up for the query. If not, then your ad won't show.

Many other factors also influence whether your ads will show for a certain query (e.g., keyword match types, negative keywords, and your keyword bids).

DYNAMIC SEARCH ADS

Dynamic Search Ads (DSA) campaigns are relatively new to the PPC playground and are a shift away from keyword targeting.

Instead of providing the platforms with a list of keywords, you provide them with your website and the engines will match to user queries that are related to your site content.

You can allow the platform to scan all pages, some pages, or specify lists of pages it can look at, but all ad service is determined by the content on your site.

Dynamic Search Ads are a great tool when looking to expand the reach of your current search campaigns because they were designed to help advertisers match to relevant queries that are not already being bid on in the account.

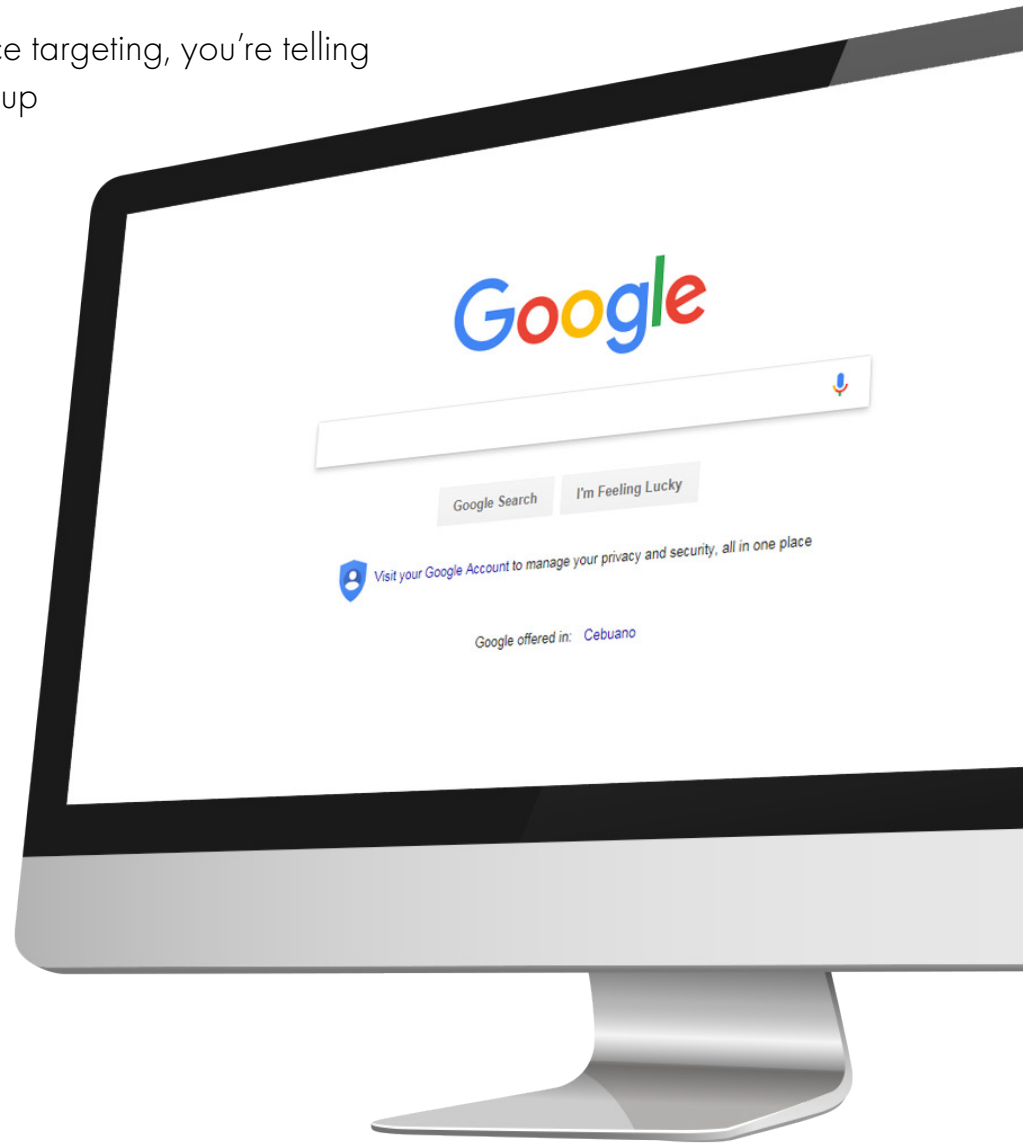
DISPLAY TARGETING

Display campaigns on the Google Display Network (GDN) have quite a few different targeting options but two main categories: content and audience.

Contextual (content) targeting means your targeting options focus on the content of the page or site. When you choose contextual targeting, you're indicating to Google that you want to show up on sites that have relevant content to you.

When you choose audience targeting, you're telling Google you want to show up for people who exhibit the behaviors you've identified as important, regardless of what content they're viewing.

The following list of GDN targeting options is in order of reach from narrowest to widest.



CONTEXTUAL TARGETING

PLACEMENT TARGETING

Placement targeting is the narrowest targeting on the GDN.

With placement targeting, advertisers provide Google with a list of specific websites they would like their ads to show up on.

For your ad to show, the website has to be opted into Google's ad network, AdSense.

KEYWORD TARGETING

Keywords are also a potential targeting option for the Google Display Network, but they function differently than on Search.

For the GDN, keywords do not use match types and end up functioning like broad match on Search.

Advertisers provide Google with a list of keywords, and Google will then go find content that loosely matches the keywords, and then shows ads on that content.

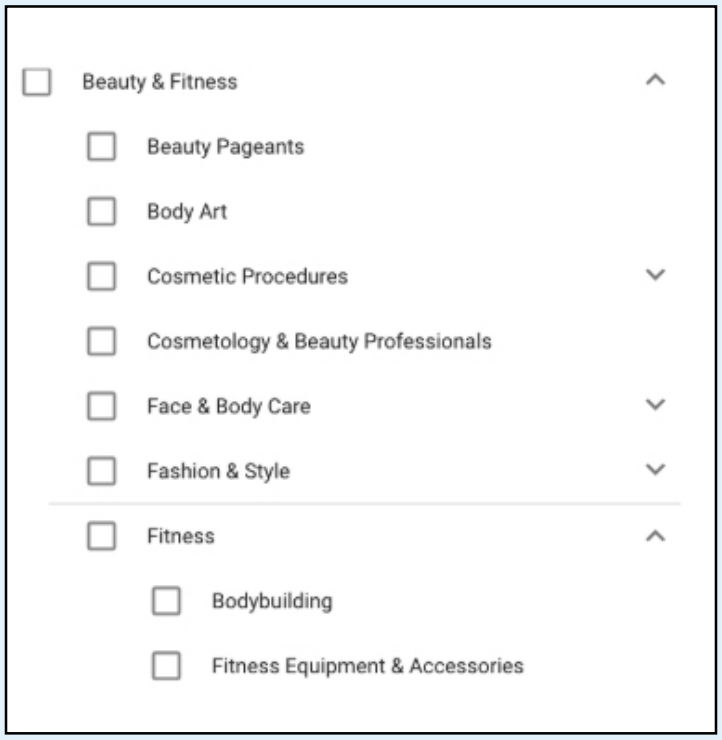
TOPICS

Topics are the third and final contextual targeting option and have the widest reach of the contextual targets.

Topic targeting allows advertisers to choose topics from a list Google has created that group websites and placements that fit the theme.

Topics range in theme from gardening, to enterprise software, to extreme sports, to medical research.

There are many high-level categories, most with multiple subcategories to help you find exactly the type of content you want to show up next to.



AUDIENCE TARGETING

IN-MARKET

In-Market audiences are similar to Topics targeting, but are predefined audiences rather than contextual targeting groups from Google.

These audiences are groups of users Google believes are actively researching or are "in the market" for a specific product or service.

The list of In-Market Audiences are available for you to browse in the same way Topics are, and many audiences have similar themes to the list of Topics.

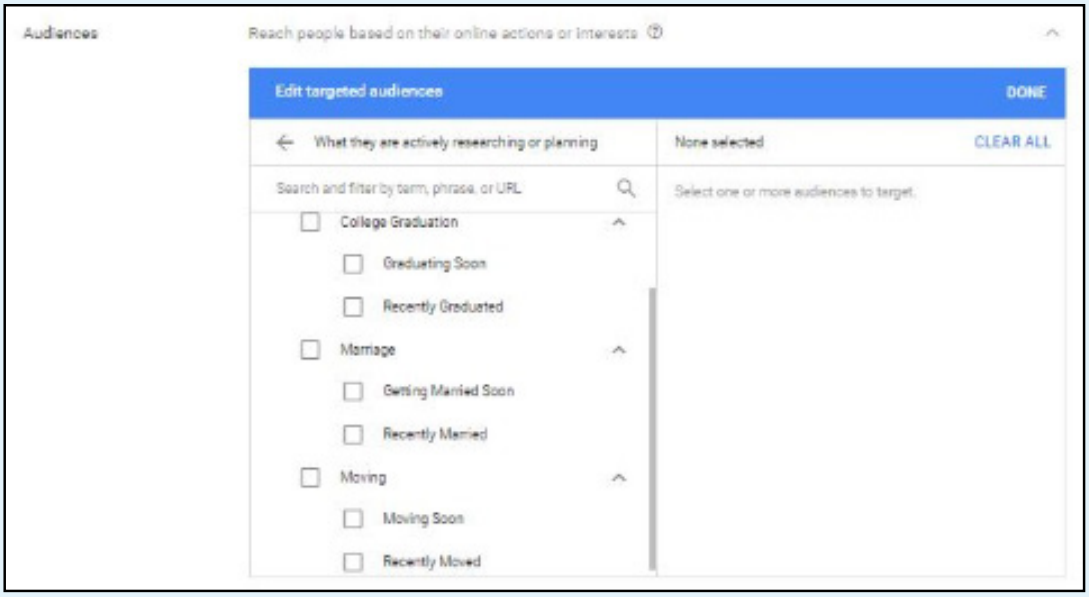
Until recently, In-Market audiences were exclusive to the Display Network, but both Google and Bing Ads are giving advertisers the ability to layer these lists into Search campaigns.

Adding this layer can help narrow the focus to those users who have exhibited research behavior in addition to conducting the search.

LIFE EVENTS

Life Events are a new option in the Google Display Network allowing you to target users who are exhibiting indicators of major life events.

At this time, the list is fairly short, but Google has a number of new audiences in beta.



CUSTOM INTENT AUDIENCES

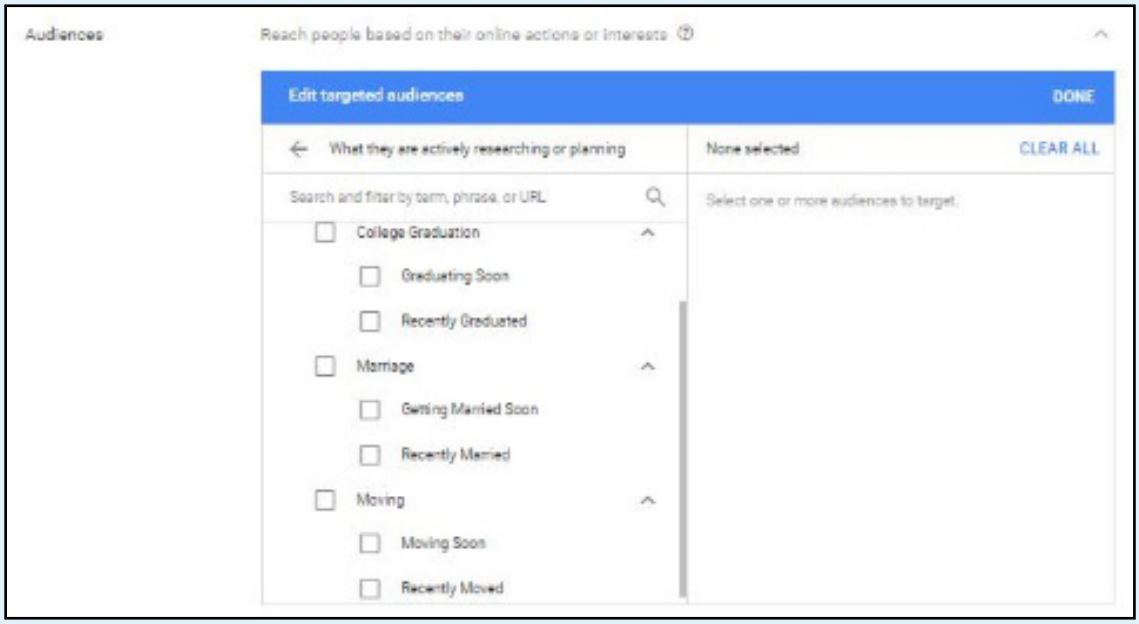
Custom Intent Audiences are one of the newest types of audiences on the GDN.

These lists let advertisers use keywords and URLs to create an audience based on products and services your ideal audience is actively researching.

Although you're adding keywords like contextual targeting, AdWords is using those keywords to find users who are likely to be interested in those keywords.

Google also often provides their own list of automatically created Custom Intent audiences, which is made by reviewing other aspects of your account. These are found just above the Custom Intent section in the interface.

If you're struggling to come up with your own audiences, test out one of these from the list.



This targeting type is good for reaching users you can't identify in the In-Market lists or if you're needing to narrow the focus a bit more than what In-Market audiences provide.

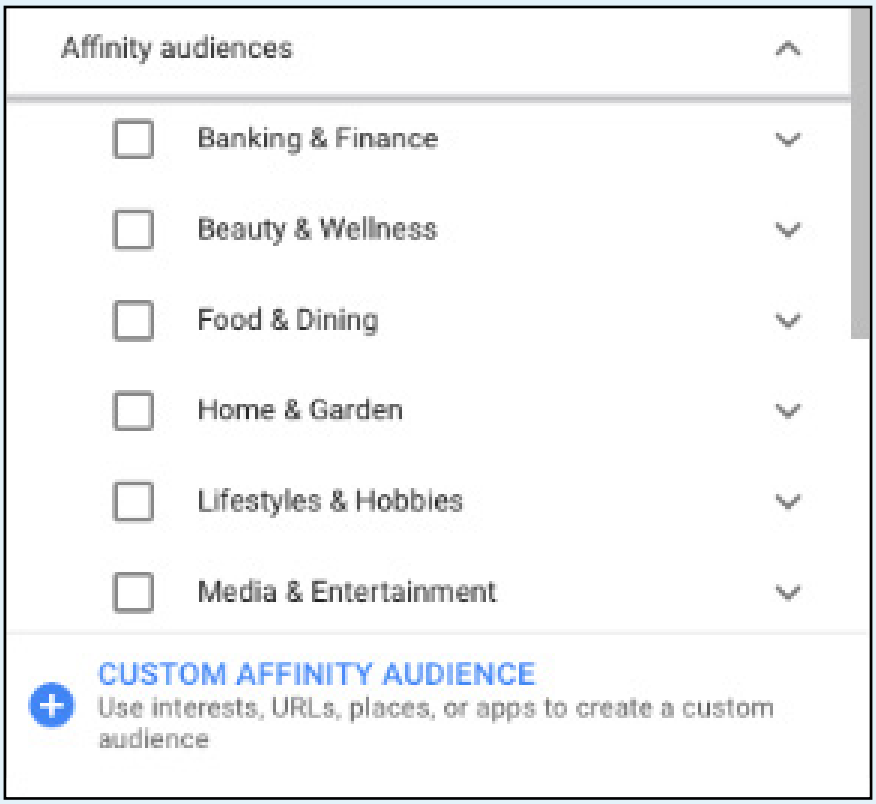
AFFINITY AUDIENCES

Affinity audiences have the broadest reach of the Display Network targeting. They were originally intended to mimic TV audiences.

These lists are groups of people who might have an affinity toward a certain industry or thing, such as "Beauty Mavens" or "Social Media Enthusiasts."

These audiences are best used when you're trying to reach a large group of people for efforts like branding or high-level calls to action.

Similar to Custom Intent Audiences, you can also create your own Custom Affinity Lists by adding keywords and URLs to create custom themes.



SIMILAR AUDIENCES

Similar audiences are the last kind of audience target and they're a unique option. Similar audiences are a function of your remarketing audiences.

Google regularly reviews the user profiles within a given remarketing list to look for patterns.

If a pattern is detected, Google will create a Similar Audience which is a list of users who behave similarly to the users in your remarketing list.

You can then apply this list to your campaigns as you would any other list as either the sole target or a modifier layer.

If Google cannot detect a user pattern in a remarketing list, because the list is either too small or too large, then a Similar Audience will not be created.

To increase your chances of Google creating Similar Audiences in your account, it's important to create remarketing lists with meaningful segmentation to increase the chance of a meaningful pattern being created.

REMARKETING

Remarketing is a way to engage with users you've come in contact with before.

There are many ways we can put these lists together and leverage them in our PPC accounts.

Let's start with the most common method: Remarketing pixels.

REMARKETING PIXEL AUDIENCES

A remarketing pixel is a small snippet of code placed on your site that cookies users who visit your page.

This cookie allows advertisers to create lists of users to target again in ad platforms.

Additionally, we can create criteria for these lists to only include a certain subset of our audience.

One very common list created is a converters list, meaning anyone who made a purchase from your ecommerce website or submitted a lead on your lead gen site.

This list can then be used as a target audience for a campaign or as an exclusion, meaning you don't want these users to see your ad even if they fit all the other targeting criteria of a campaign.

CUSTOMER UPLOADS

The second kind of remarketing list is a Customer Upload, or a list of customer emails you import into Google, Bing, or Yahoo.

The ad platforms will then match the email addresses you provided with the users on their email provider and allow you to target them.

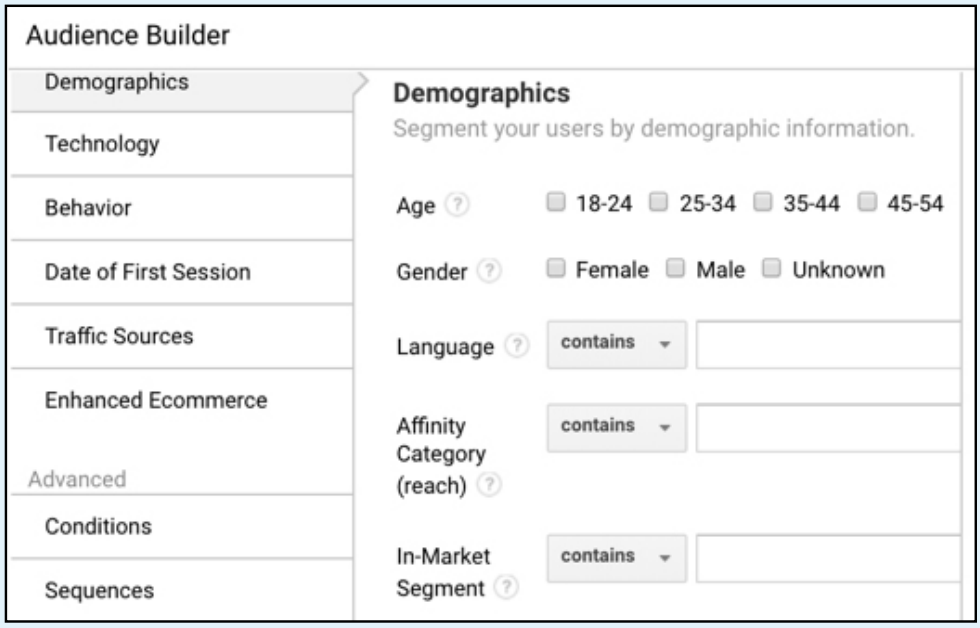
This list type is great when you want to retarget users in your CRM or those who might not have been cookied with your pixel.

Google Analytics Import

In Google AdWords, we have the ability to link our Google Analytics and AdWords accounts together and import audiences based on Google Analytics metrics.

Google Analytics has a much more powerful set of audience criteria, allowing us to leverage site engagement, sequencing, and other indicators to create our lists.

Unfortunately, this type of remarketing audience is only available for Google AdWords.



Remarketing audiences can be applied to campaigns as the sole group of users to target or as a bid modifier layer, now called Observation.

They can also be applied to all campaign types within a given network, such as both Search and Dynamic Search Ads on the Search Network.

DEMOGRAPHICS

Demographic targeting can be a great way to incrementally impact performance or ensure you're reaching your ideal target audience.

These targeting layers are determined through information given to the channels when a profile is created as well as the behaviors of the user.

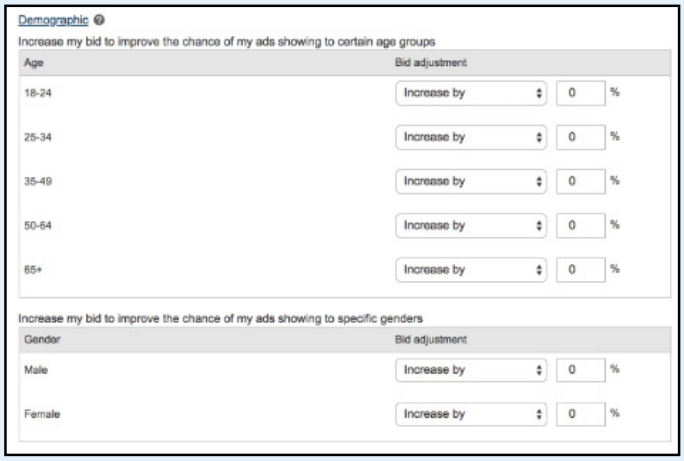
Overall, these targeting options are best leveraged as incremental layers to modify the other targeting options listed above rather than being used alone.

AGE & GENDER

Demographic information is available for targeting in all campaign types in Google AdWords and Bing Ads.

Both channels support bid modifiers for user Age and Gender.

These targeting options allow you to see how your ads are performing for a certain group of users, then adjust bid modifiers up or down to increase or decrease your bids on those groups of users.



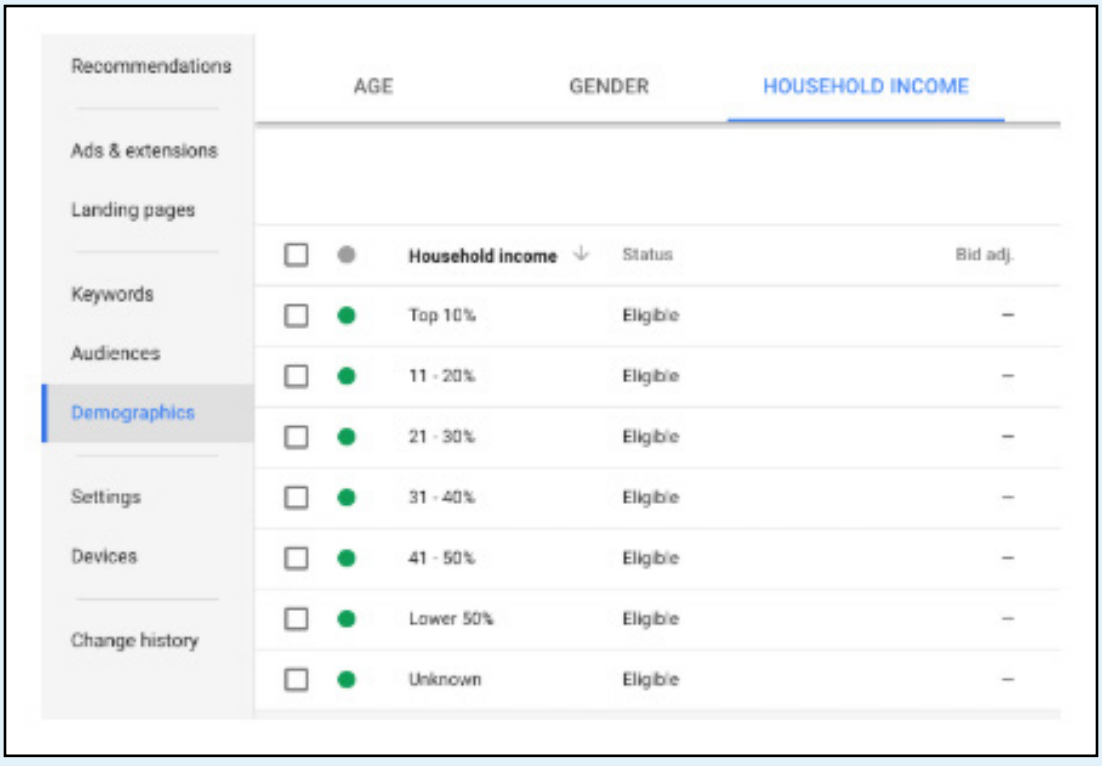
Each of these targeting options lives at the ad group level and can be adjusted in the Settings tab in Bing or the Demographics section in AdWords.

Household Income

Google AdWords has one additional demographic lever available for users living in the United States: Household Income.

The data for these groups is determined by the location's average household income, so it's not a perfect science, but this can be a great lever to pull if you're trying to target users based on income.

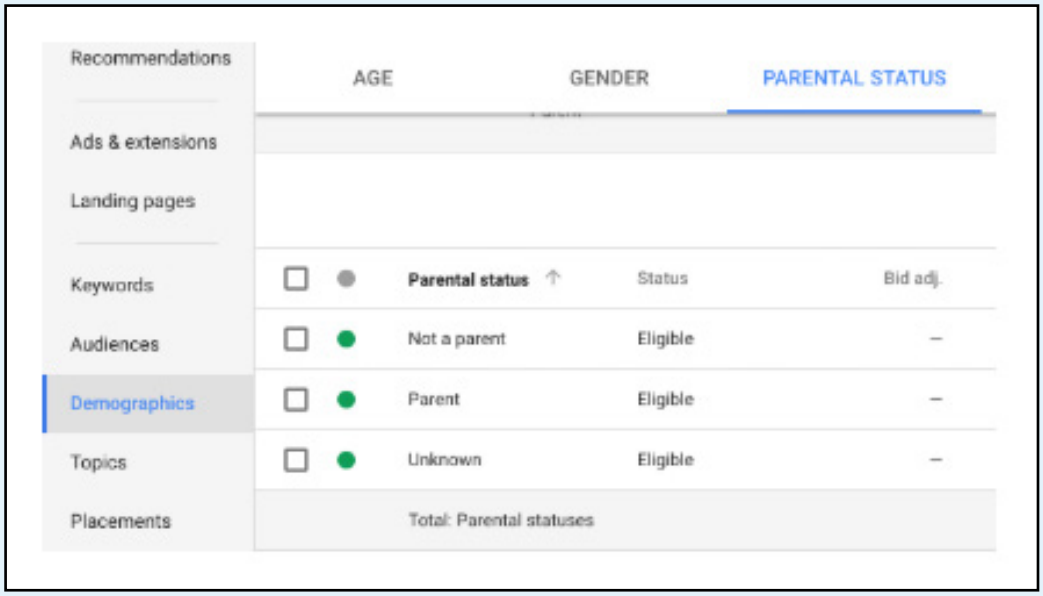
This targeting option lives in the Demographics section of the AdWords interface and can be adjusted similarly to Age and Gender segments.



PARENTAL STATUS

Lastly, Google has one specific demographic target reserved for Display campaigns: Parental Status.

Similar to the other targets, Parental Status lives at the ad group level and allows you to adjust your bids with modifiers based on your targeting preferences or performance.



There are many targeting options for PPC campaigns, each with their strengths, weaknesses, and use cases.

I encourage you to seek out additional information about best practices for each targeting option and test them out in your account.

CHAPTER 11

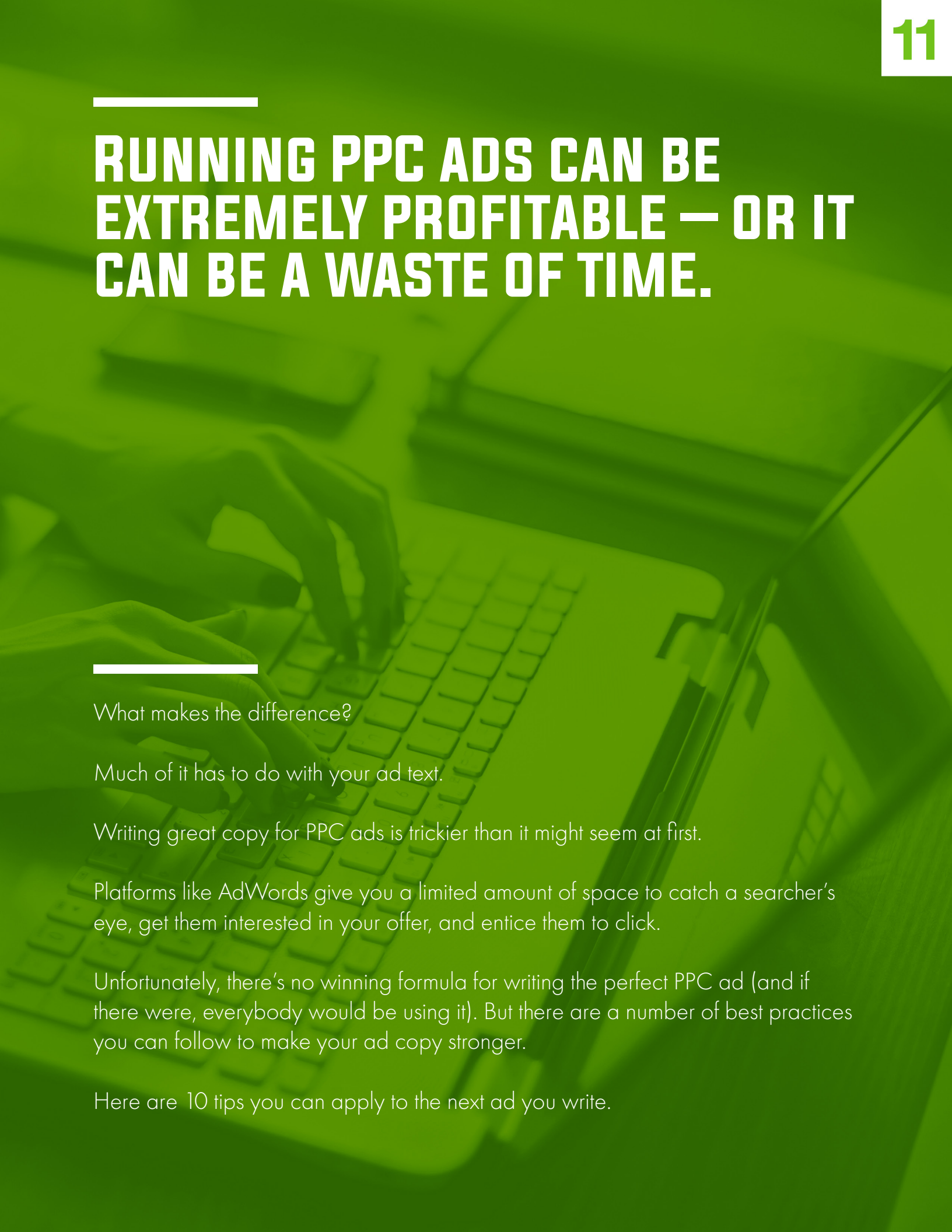
10 PPC Copywriting Best Practices for Extra Effective Text Ads

PPC 101: A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

Written by
Adam Heitzman
Managing Partner, HigherVisibility

SEJ EBOOK

RUNNING PPC ADS CAN BE EXTREMELY PROFITABLE — OR IT CAN BE A WASTE OF TIME.



What makes the difference?

Much of it has to do with your ad text.

Writing great copy for PPC ads is trickier than it might seem at first.

Platforms like AdWords give you a limited amount of space to catch a searcher's eye, get them interested in your offer, and entice them to click.

Unfortunately, there's no winning formula for writing the perfect PPC ad (and if there were, everybody would be using it). But there are a number of best practices you can follow to make your ad copy stronger.

Here are 10 tips you can apply to the next ad you write.

NUMBER 1

KNOW WHAT YOUR TARGET MARKET WANTS

Lots of businesses approach ad-writing by talking about themselves. That's a natural thing to do, and after all, you're an expert on what makes your company great.

But it's actually the opposite of what you should be doing.

Customers seek you out because they need something, not because they're curious about your business.

The best way to get the attention of your target audience is to show them that you understand – and can fix – their problems.

Before you start writing, do this exercise: put yourself in your ideal customer's shoes.

Think about what kind of problem they're experiencing, and imagine how they'd search for a solution. Then, write your ad copy as a response to that imaginary customer's needs and search habits.

NUMBER 2

ADDRESS YOUR AUDIENCE

Use the words "you" and "your" in your ads.

Speaking directly to your audience makes them feel important, and it creates the sense that your business is personable – you want to create a friendly and helpful relationship with customers right off the bat.

NUMBER 3

USE EMOTIONAL TRIGGERS TO YOUR ADVANTAGE

What's the worst thing an ad can be? If you said boring, you're right.

A **bad PPC ad** is completely unmemorable. It might be inoffensive and even well-put-together, but if no one ever feels intrigued or moved enough to click on it, why even bother publishing it?

You can avoid the fate of boring ads by choosing your words carefully and making your audience feel something. If you know what your target market wants, this shouldn't be too difficult.

Zero in on the core problem or desire that brings customers to you, and brainstorm some ways to play up the emotion contained in it.

Negative feelings can actually be better stimuli than positive ones, since people are motivated to avoid pain, so don't be afraid to leverage your audience's anxiety, anger, or FOMO (fear of missing out).

Some more positive emotions you can use to drive results include hopefulness, relief, and the feeling of being liked or admired by others.

NUMBER 4

USE NUMBERS

If you want to draw more eyes to your ads, try adding a number or two.

Figures and statistics have a way of getting people's attention and have proven to increase CTR.

One way to use numbers is to name your product's price or advertise a sale.

You can also try featuring a numerical statistic about your business, such as the number of customers you've helped.

Use exact numbers instead of round numbers, since people tend to trust exact numbers more.

NUMBER 5

REMOVE OBJECTIONS

Most people need a little convincing before they click on an ad or make a purchase.

Come up with a few common objections to your service or selling points, and address those preemptively in your ad copy.

If you remove your audience's excuses for not clicking before they even think of them, they'll immediately feel more at ease with your business – and more likely to take you up on your offer.

NUMBER 6

USE ALL YOUR SPACE

Google AdWords gives you two 30-character headlines plus an 80-character description.
Maximize your ad's power by packing all the information you can into this space.

If you're short a few characters, see if you can come up with an extra detail or two to include.
Don't forget about your display URL and ad extensions, either.

Your display URL doesn't have to match the actual URL that your visitors will land on – its purpose is to show people what kind of page they'll be taken to, so creating a custom URL that includes your keywords is a smart move.

Ad extensions can be another valuable way to get more real estate in search results. Don't rely on them to carry your message, though, since Google can't guarantee that your extensions will show up every time your ad is run.

NUMBER 7

EMPHASIZE WHAT MAKES YOU STAND OUT

Make your ad more intriguing by setting yourself apart from your competitors.

You don't have much space to pitch your unique selling proposition to your audience, so try to distill it down into a powerful kernel that will make readers want to know more.

Some helpful questions to ask yourself include:

- What does your business do better than or differently from anyone else in the industry?
- Have you won any awards?
- Are you running any sales or making any special offers?
- What's unique about your brand's image?

NUMBER 8

GO LOCAL

People like and trust local businesses over big, faceless national corporations.

Emphasize your location in your ads to give people an approachable first impression of your business.

You don't actually have to operate in just one location to play up a local-business image, either.
If you have multiple locations, create separate PPC campaigns to run in different geographical areas, and use specific location-based terms for each campaign.

In addition, use local phone numbers instead of an 800 number in your ads.

NUMBER 9

USE STRONG, CREATIVE CALLS TO ACTION

Does the phrase "Call now" actually make you feel any sense of urgency? Probably not.

Instead of resorting to worn-out clichés for your calls to action, come up with something that hits home a little bit more for your audience.

You already know what they want, so highlight that in your call to action.

Kick off your call to action with a strong verb, too – something like "Get," "Save," "Build," or "Join."

NUMBER 10

SPLIT TEST YOUR PPC ADS FREQUENTLY

Regular testing is one of the surest ways you can make real improvements in your ads.

The more data you collect, the more patterns you'll start to spot, and the better you'll be able to adjust your ad strategy.

Intuition can be surprisingly far off the mark when it comes to what will work in advertising, so it's incredibly important to base your decisions on data rather than guesswork.

Some ideas for split tests you can try include:

- Placing your call to action in different locations
- Comparing different calls to action
- Experimenting with different numbers and statistics in your ads
- Trying different display URLs
- Highlighting different benefits of your product or service

THE TAKEAWAY

Writing effective PPC ads is more of an art than a science.

Even marketers with a talent for wordsmithing sometimes run into writer's block when trying to come up with the perfect ad text.

The good news?

With patience, practice, and testing, you'll start to write PPC ads more quickly and easily – and you'll get real results from them.

Use these best practices as inspiration for your next batch of ads, and you might be surprised at how positively your audience reacts.

CHAPTER 12

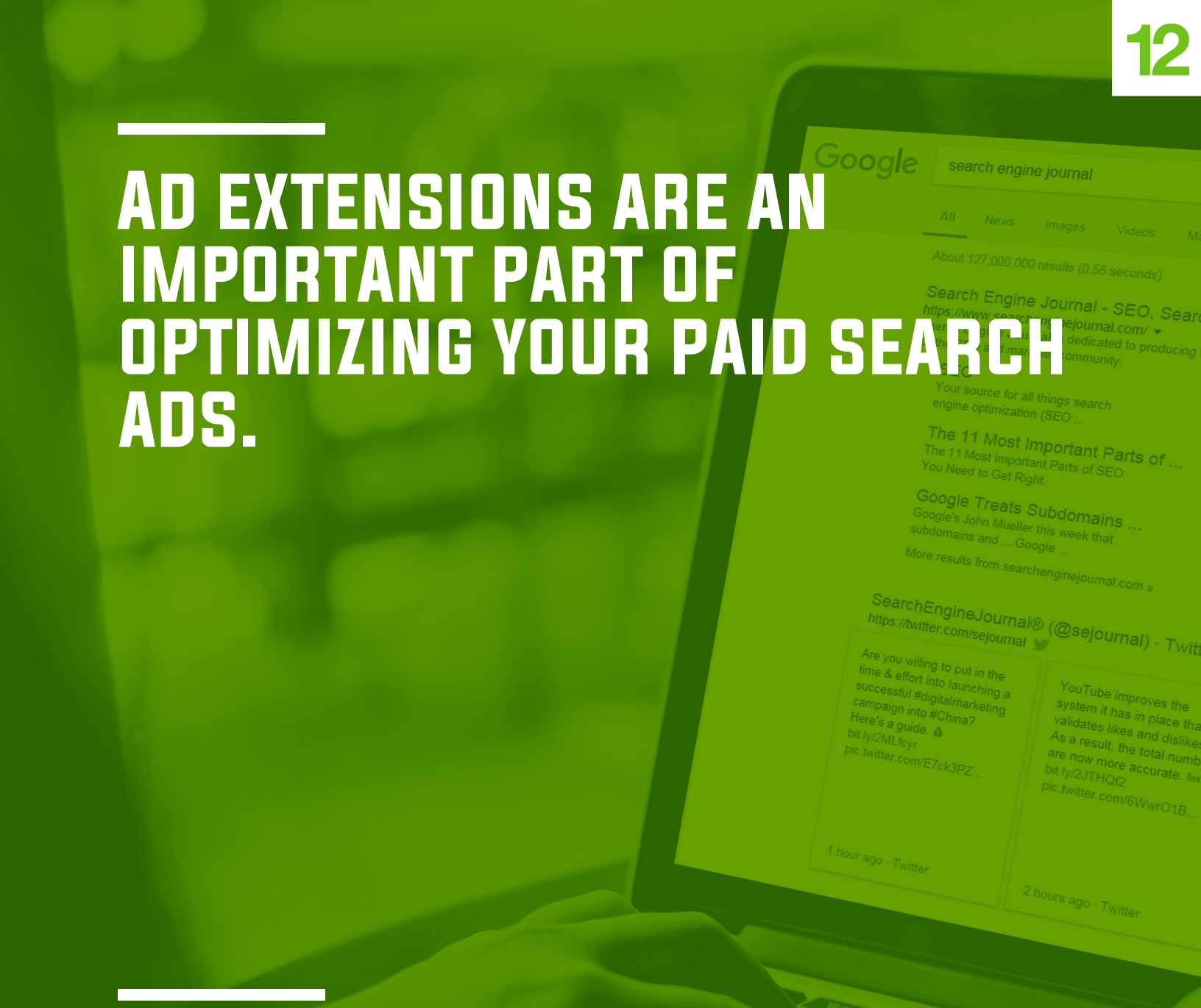
EVERYTHING YOU NEED TO KNOW ABOUT AD EXTENSIONS

PPC 101 A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

SEJ EBOOK

Written by
Pauline Jakober
Founder and CEO, Group Twenty Seven

AD EXTENSIONS ARE AN IMPORTANT PART OF OPTIMIZING YOUR PAID SEARCH ADS.



They can help you gain a competitive edge, improve performance, and increase CTR.

Ad extensions also factor into ad rank.

Some of these extensions are manual, meaning you have to set them up yourself.

Others are automatic, meaning they're automatically applied when certain conditions are met.

And some extensions can be both.

MANUAL EXTENSIONS

Many manual extensions are available to you. But this doesn't mean you have to use them all.

Instead, take a step back and develop a comprehensive messaging strategy for ads and extensions.

SITELINKS

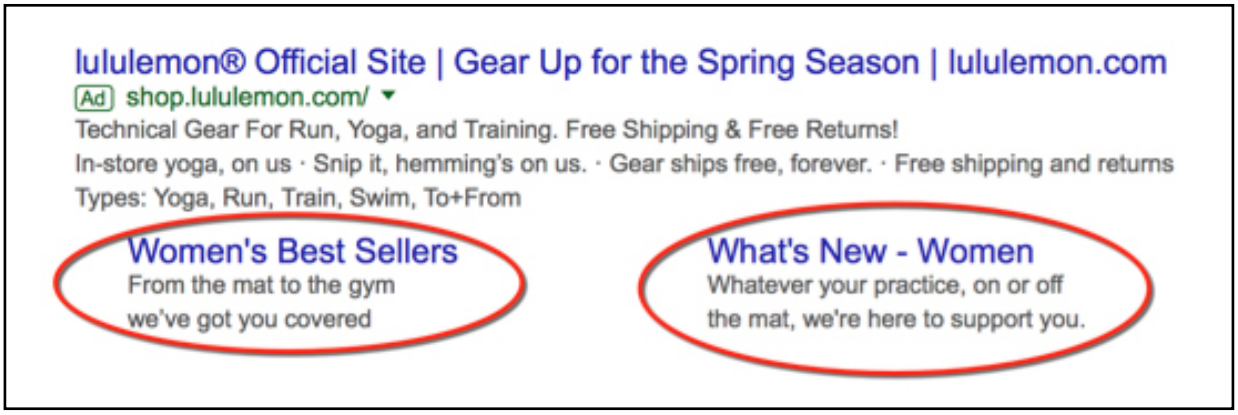
Sitelinks take people to specific pages on your site.

Sitelinks show in a variety of ways depending on device, ad position and other factors.

You can add sitelinks at the account, campaign, or ad group level.

You can specify the link text (the text that displays in the ad) and URLs (the pages they click to).

Sitelinks can either be manual or automatic.



When to Use

- Sitelinks are relevant to most accounts.

Tips

- You can include sitelinks to your business's LinkedIn, Twitter, Facebook, YouTube Channel, and Google+ pages.
- Each sitelink within a campaign or ad group must land on a unique URL.
- Relevancy and good Quality Scores help sitelinks impression more often.
- You can make sitelinks specific to mobile by ticking off the device preference box when building the sitelink.

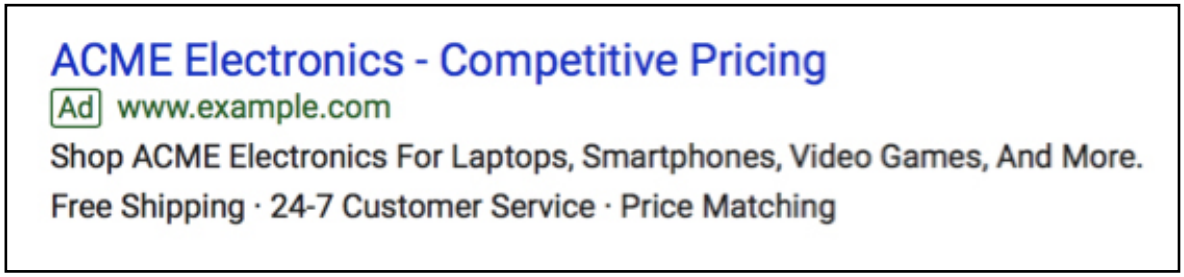
CALLOUTS

Callout ad extensions let you include additional text to highlight specific information about your business's products and services.

Callouts will show in a variety of ways depending on device and other factors.

You can add callouts at the account, campaign, or ad group level.

You choose where to add them, create the callout text, and schedule when you'd like them to appear.



When to Use

Callouts should be used to highlight differentiators.

They're often used to promote special offers, such as free shipping.

Think of them as benefits (vs. features) in your advertising.

Tips

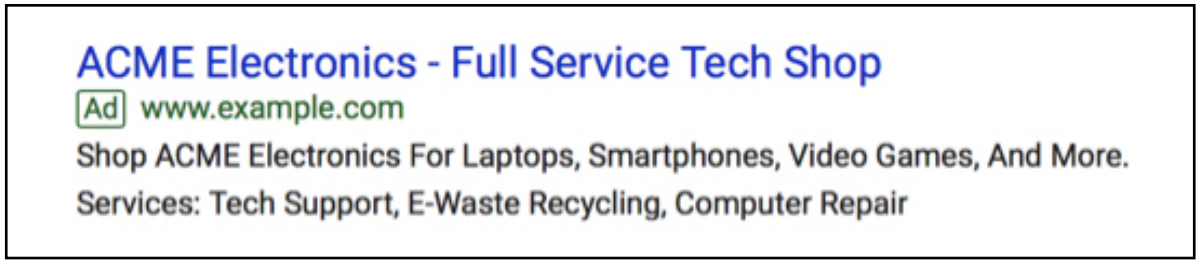
- You must create a minimum of two callouts in order for them to impression. Google recommends creating the maximum number, which is four.

STRUCTURED SNIPPETS

Structured snippet ad extensions allow you to highlight certain aspects of what you're advertising.

If you're advertising a hotel, for example, you might feature some of the hotel's amenities (e.g., free Wi-Fi, a business center, a fitness center).

If you don't include structured snippets within your campaigns, Google may automatically include dynamic structured snippets.



When to Use

Use structured snippets to focus on tangibles.

Think of these as features (as opposed to benefits).

Tips

- You need a minimum of three snippets for this extension to impression with your ad.
- Snippets must be closely related to your header, otherwise they may not impression.

CALL EXTENSIONS

Call extensions allow you to add phone numbers to your ads.

When call extensions show, people can click to call your business directly, without having to key in your phone number.

When to Use

Use call extensions if you have a team that can handle phone calls.

These extensions work well for potential customers who know exactly what they want and don't want to spend time clicking through to your website and locating your phone number.

MESSAGE EXTENSIONS

Message extensions allow people to click on your ad and contact you by text message.

You create a message in advance. That message is then pre-populated in the person's messaging app when they click.

You can add message extensions at the account, campaign, ad group, or ad level.

Message extensions can run on any search campaign, ad group, or ad.

When to Use

This is another way to make it easy for prospective customers to reach to you.

Tips

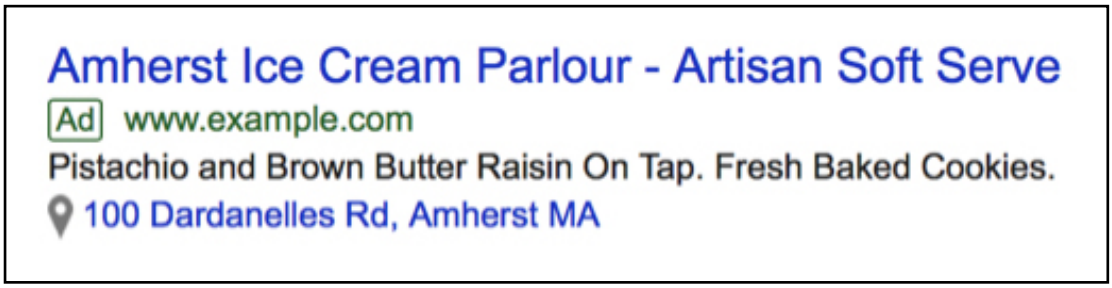
- Worried you'll be overwhelmed by a large number of text message? There are workarounds. For example, you can connect your message extensions to third-party chat software; automatically send text messages to email; or schedule message extensions so they show only during business hours.

LOCATION EXTENSIONS

Location extensions help people find your business.

These extensions show your business address, phone number, and a map marker with your ad text.

On mobile, they include a link with directions to your business.



When to Use

Use location extensions when you have a physical premise you want users to find, such as a retail location.

These extensions can help drive foot traffic to your store.

Tips

- You can add multiple addresses by linking your account to Google My Business and targeting your ads around your business addresses.
- In order for location extensions to show, you must link your Google My Business account to your AdWords account.

AFFILIATE LOCATION EXTENSIONS

Affiliate location extensions help people locate nearby retail stores that carry your products.

These extensions are not available in all countries.

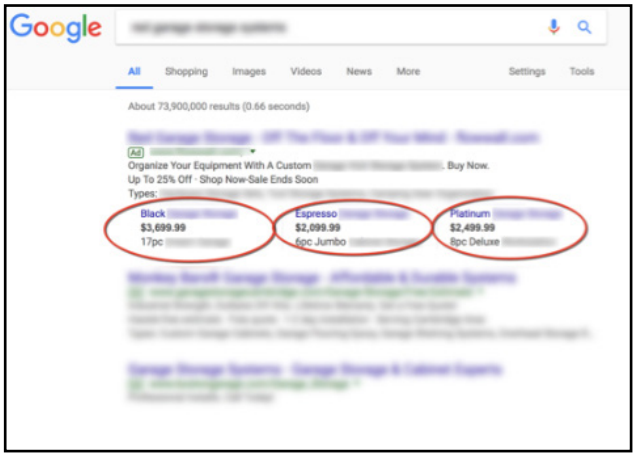
When to Use

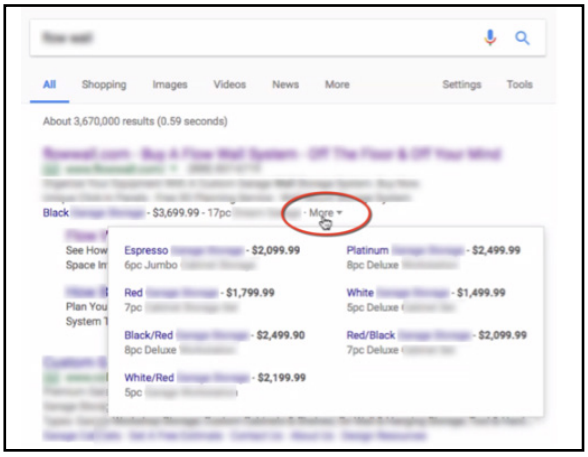
Affiliate location extensions are particularly suited to retail chains and auto dealers, or any other type of business where affiliates carry your products.

PRICE EXTENSIONS

Price extensions appear below your ad and show specific products and pricing information.

They can display in a couple different ways:





Each price extension has its own link.

People who click on your price extension will be taken straight to the product on your website.

When to Use

Use these extensions when you want to highlight a particular product or service.

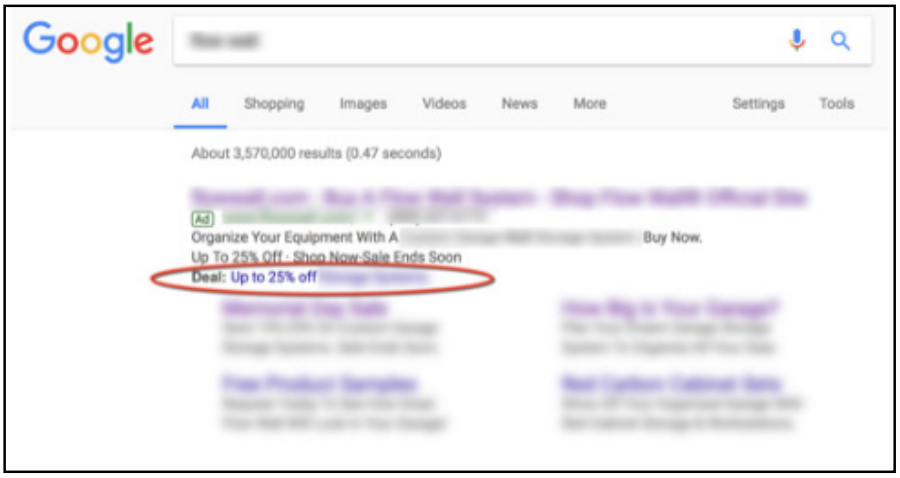
They can help you move inventory faster.

Tips

- Even if your product isn't the cheapest one on the market, price extensions can still be a useful lead qualifier.
- Ads with price extensions can have higher click-through rates than those that don't, according to some case studies.

PROMOTION EXTENSIONS

Promotion extensions let you highlight sales and promotions in your ads: These extensions are not available in all countries.



You choose the label (appearing in bold). Here the label used is "Deal," but you can use other labels (e.g., "Back-to-school" or "Mother's Day").

When to Use

Use these extensions any time you have a special sale or deal you want to promote.

APP EXTENSIONS

App extensions allow you to include a link to your mobile or tablet app in your ad.

When to Use

Use this extension If you have a mobile app that's live in Google Play or the Apple App Store.

AUTOMATED EXTENSIONS

Automated extensions automatically pull data from various sources, such as landing pages and other ads, to create extensions for your ad.

To view metrics for automated extensions, go to the Ad Extensions tab in AdWords.

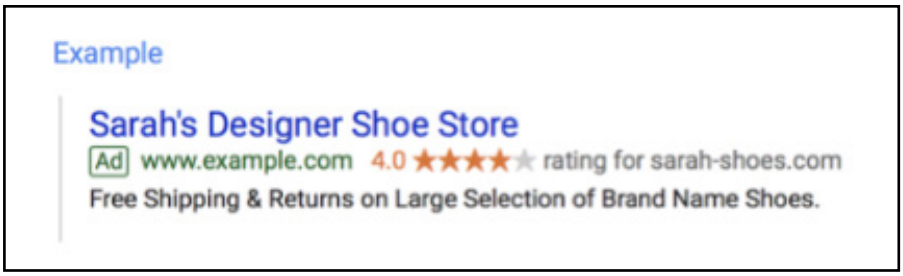
Go to the "View:" drop-down, and choose "Automated extensions report."

SELLER RATINGS

Seller rating extensions are used to highlight businesses with high customer ratings.

Seller ratings show a combination of information and reviews.

You are not charged for clicks on seller rating extensions.



Tip

In most cases, seller ratings only show when a business has 150 unique reviews and a composite rating of 3.5 stars or higher.

Other Automated Extensions

Other automated extensions in AdWords include:

- Dynamic callouts.
- Dynamic structured snippets.
- Dynamic sitelink extensions.
- Automated call extensions.
- Automated message extensions.
- Automated location extensions.

All of these automated extensions operate in a similar way as their manual equivalents.

You can opt out of many of these automated extensions.

From the Ad Extensions tab go to the "View:" drop-down, and choose "Automated extensions report."

BING ADS EXTENSIONS

Bing Ads extensions include:

- Sitelink extensions.
- Enhanced sitelinks.
- Location extensions.
- Call extensions.
- Callout extensions.
- Review extensions.
- Structured snippet extensions.
- App extensions.
- Image extensions.

As you can see, these ad extensions are similar (for the most part) as those offered by Google AdWords.

However, there are a few differences, some of which are noted below.

LOCATION EXTENSIONS

Location extensions in Bing give iPhone users an easy way to call for a ride to your business.

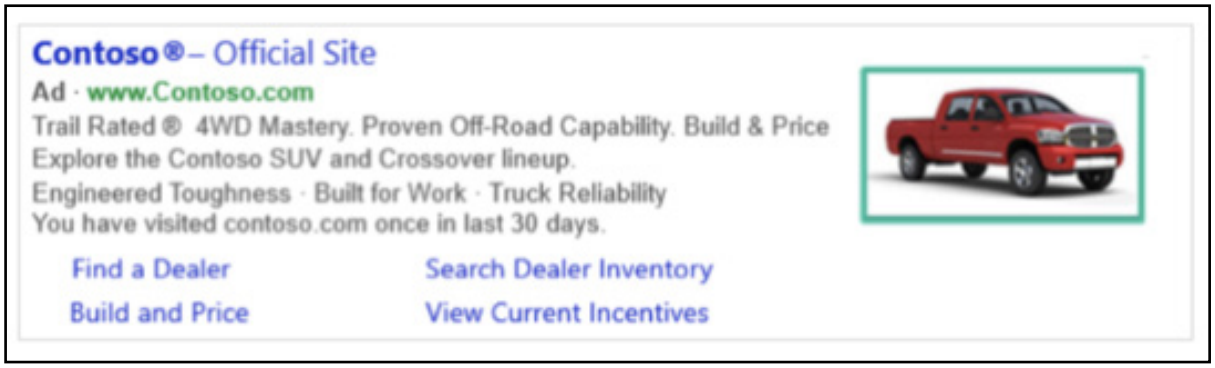
The **Get a Ride** feature for location extensions allows users to click the ride icon, which launches the Uber app. If users are logged in to their Uber account, the destination will be pre-populated with their address.

When to Use

Use location extensions if your business wants to encourage local traffic, such as a storefront or restaurant.

IMAGE EXTENSIONS

Image extensions allow advertisers to add images to their ads to grab attention and increase brand recognition.



When to Use

Use these extensions any time you want your ad to stand out visually.

Tips

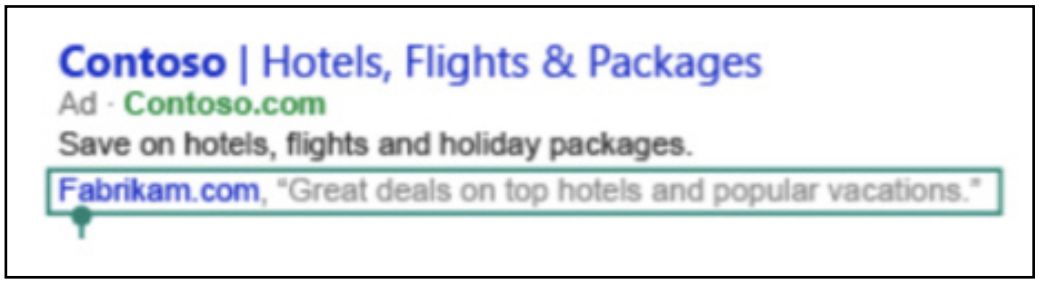
- You can associate up to six images with each campaign or ad group.
- You can point to a unique URL with each image.

REVIEW EXTENSIONS

Review extensions are a great way to highlight customer reviews at the ad level on Bing.

Clicks on review extensions are free of charge and direct people to third-party reviews.

Google recently sunsetted this product, but Bing still has it.



CHAPTER 13

A Complete Guide to PPC Ad Formats

Written by
Aaron Levy
Director, Paid Search, Elite SEM

SEJ EBOOK

PPC ADS COME IN MANY SHAPES AND SIZES.

They also change frequently, which means it's nearly impossible to provide a truly comprehensive guide for every ad format available.

What follows is an overview of the major PPC ad formats that are available across Google AdWords. Most of the basic text and shopping formats are also available across Bing Ads.

ON THE SERP

TEXT ADS

Ah, the bread and butter of PPC! Our dear text ads – with two headlines and one 90-character description.

Google and Bing both did away with the old version of standard text ads recently, and now we're seeing larger text ads with a more varied alignment of extensions than we'd seen in years past.

Ads usually fire with the two headlines side by side, with a description line and ad extensions below.

Sometimes ads will serve with a third "headline," most often comprised of the URL itself. The URL in the headline can read a bit weird, so you have the option to disable if you wish.

However, we know how Google loves to experiment: we're starting to see ads smoosh together with ads to form one mega-ad. Sometimes the combinations are coherent, sometimes not, but it's the new normal and something advertisers will have to get used to!

RESPONSIVE TEXT ADS (PUBLIC BETA)

These aren't so much a variation on text ads, but more an automated method of powering them.

Aesthetically, they share the same appearance as "normal" text ads – there've been rumors that the ads are capable of showing three headlines; while possible, it's highly unlikely to happen more than a fraction of the time.

Advertisers upload a variety of headlines and description lines, and Google will shuffle them based on best-expected performance.

It's recommended to include at least three headline variations and two description variations, but you're able to include up to 15 headlines and four descriptions.

Make sure the variables you use will make sense no matter the order they serve in.

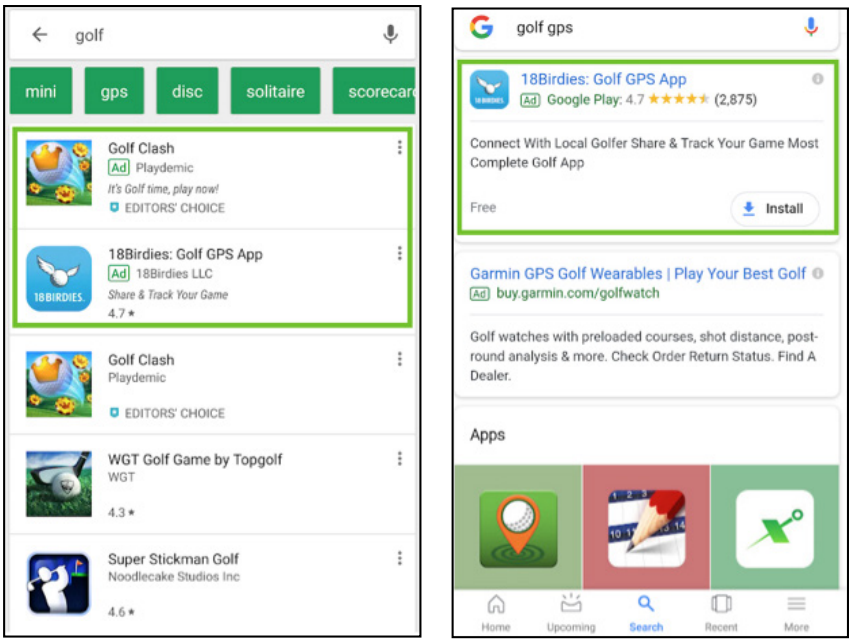
App Download Ads

App Download Ads (and app engagement ads alike) allow you to showcase your app to relevant tablet or mobile users.

The ads will auto-detect the operating system to showcase either the App Store or Google Play where applicable.

The app must be live in either market to be eligible.

App download ads can appear in a number of places including on the SERP, in the Play Store or on the mobile web. All app download and app engagement ads are included in Universal App Campaigns (UACs).



Like responsive ads, UACs include a variety of elements that are shuffled based on what Google expects will yield the best performance.

At the minimum, ads will include up to four independent lines of text that are up to 25 characters. Advertisers can also include things like video snippets, images, or HTML5 assets to produce more options.

To advertise on the App Store, you'll need to use Apple Search Ads.

LOCAL SERVICE ADS

Local Service Ads are the new kids on the block, and only open to a select few verticals and markets. As of this writing, they're only available for:

- Locksmiths.
- Plumbers.
- Electricians.
- HVAC.
- Garage door services.

However, it's expected many more household services will be rolled out over the next year.

The ads are largely automated, and (at this time) operate out of a separate UI from traditional AdWords ads.

The ads primarily fire for localized queries, including something like a city name, a ZIP code, or a neighborhood.

The ads are pay-per-lead (rather than pay-per-click).

Aside from basic business information, there isn't much you can change.

It's expected these will roll out in bulk in the near future, but for now, they're focused on smaller local businesses.

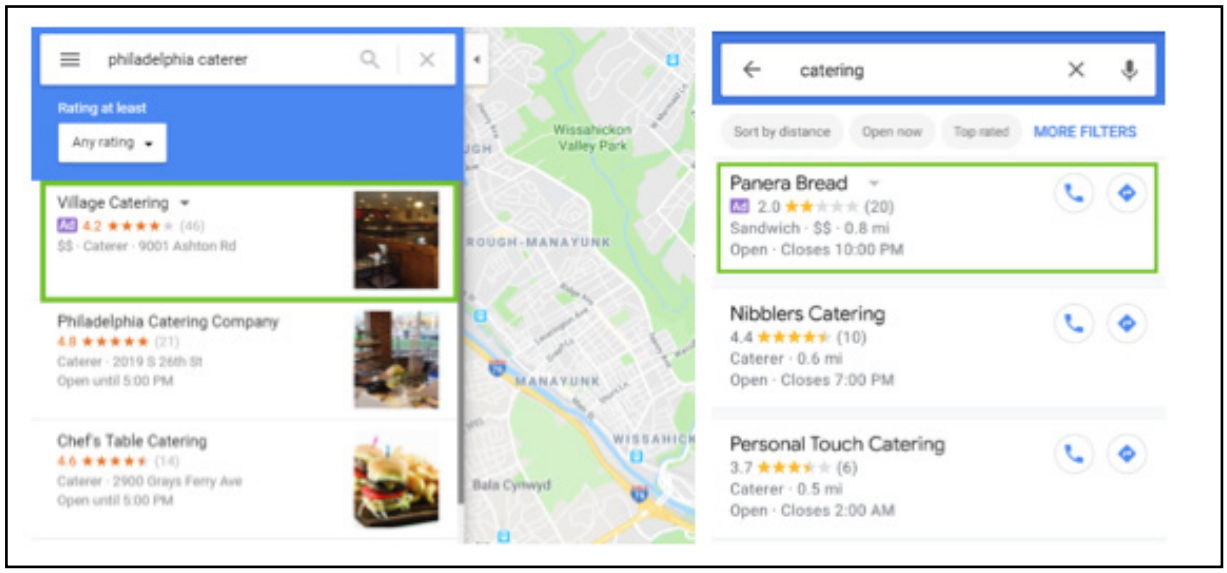
The ads appear below sponsored text ads, but above maps and organic results.

GOOGLE MAPS ADS

Ads on Google Maps are primarily powered by location extensions and are treated as a search partner in reporting.

Sponsored locations will appear at the top of map search results on desktop or mobile, and are charged on a pay-per-click basis.

The key difference is "clicks" in this case are essentially a click on the location (or directions or a phone number) rather than traffic direct to site.

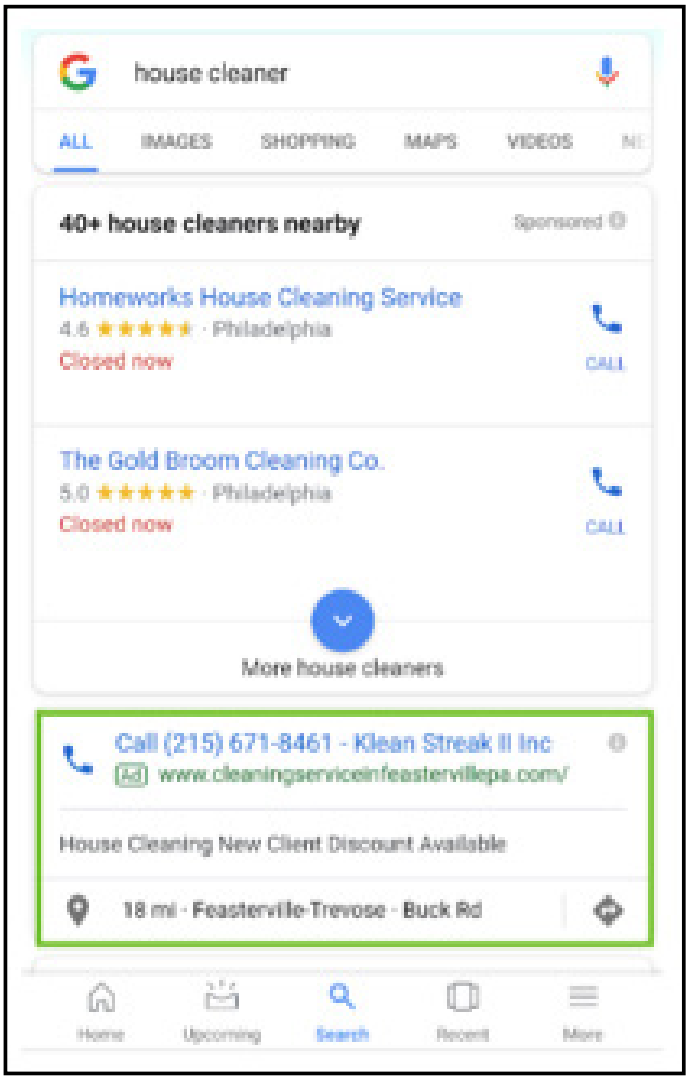


CALL-ONLY ADS

Call-Only Ads are a mobile-only variation of text ads where (shocker), the only option is to complete a phone call from the ad.

A "click" on the ad doesn't necessarily indicate a call was completed, but rather it indicates the phone number was entered into the dialer.

Call-Only ads are eligible for Google's call tracking tool as long as you use a forwarding number.



HOTEL ADS

Hotel Ads are designed to advertise... well, hotels!

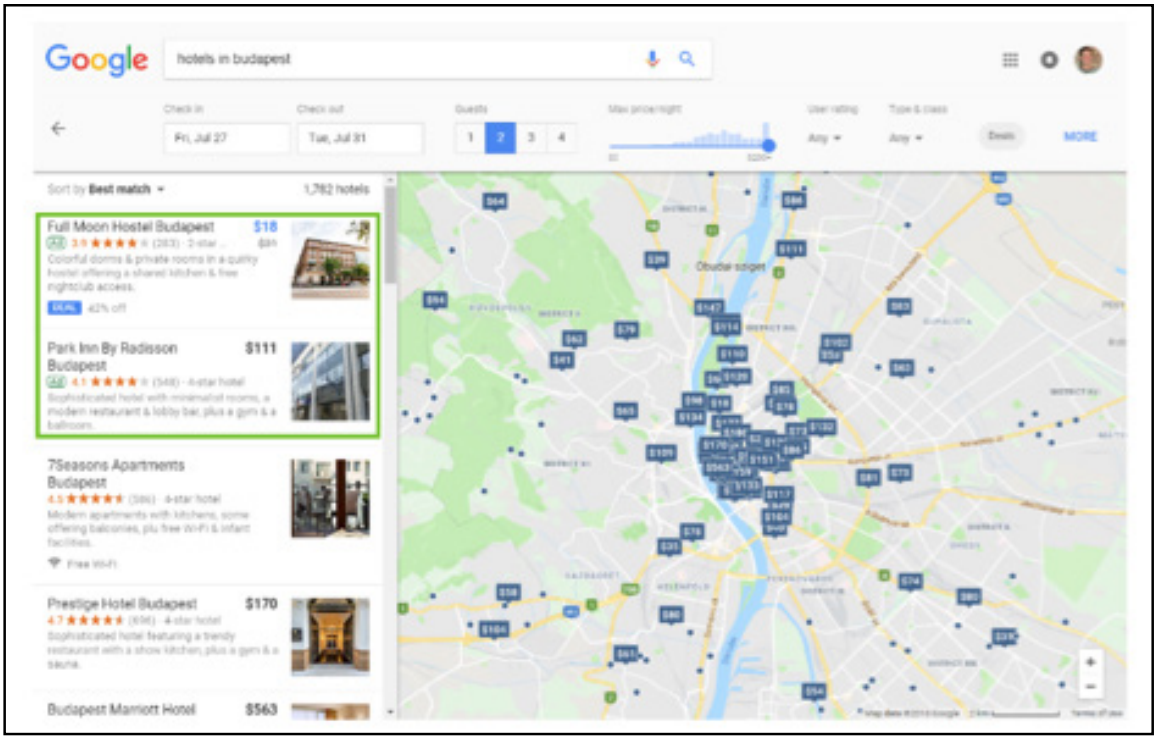
The ad units are feed-based; advertisers will work with an integration partner to provide key booking attributes to Google.

Features such as room availability, price, star ratings and booking policies are all passed along directly to Google.

In a sense, Google is operating as a metasearch engine – it displays all available inventory for all hotel providers that send inventory their way.

The ads won't appear directly on the SERP, but rather within the Google hotel search UI.

Say you wanted to head to Budapest for an overnight. You would enter the dates you're looking for and see a list of all hotels available with Hotel Ads right at the top.

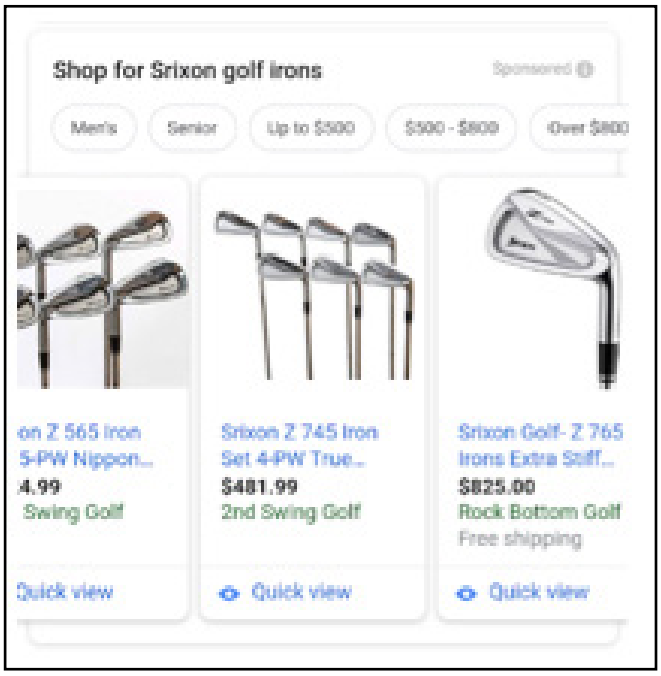


SHOPPING

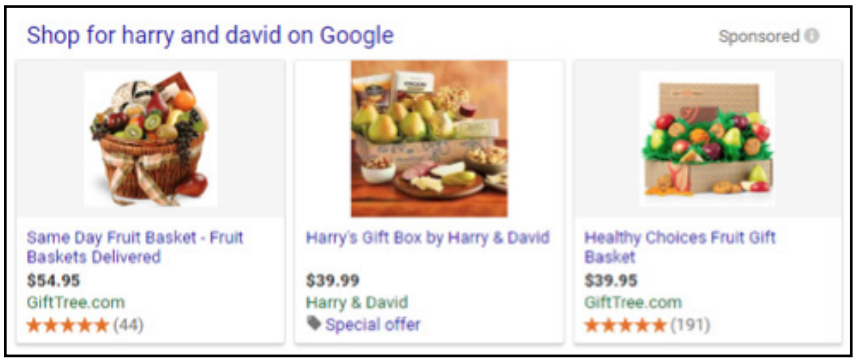
Google and Bing Shopping Ads (the artist formerly known as PLAs) are the preeminent way to get visibility for commerce-driven searches.

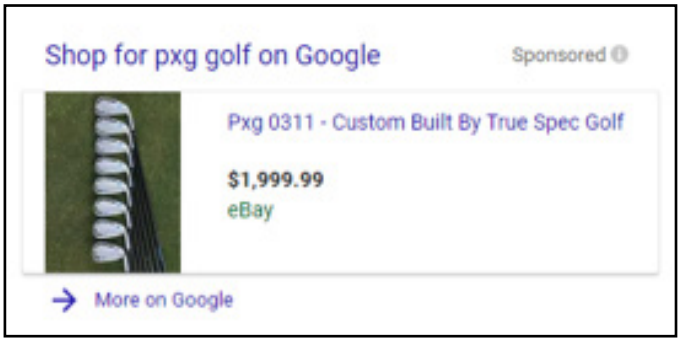
The ads take a number of formats on the SERP, from a straight bar of three to five products above the SERPs to a "six pack" or "nine pack" on the formerly empty right rail.

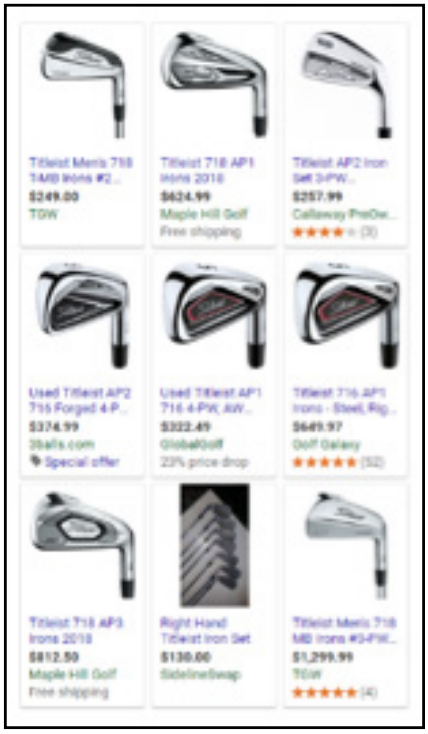
In some cases, you can even find single ad units if there aren't enough players in the auction.



Shopping Ads are a must do for any e-commerce retailer.







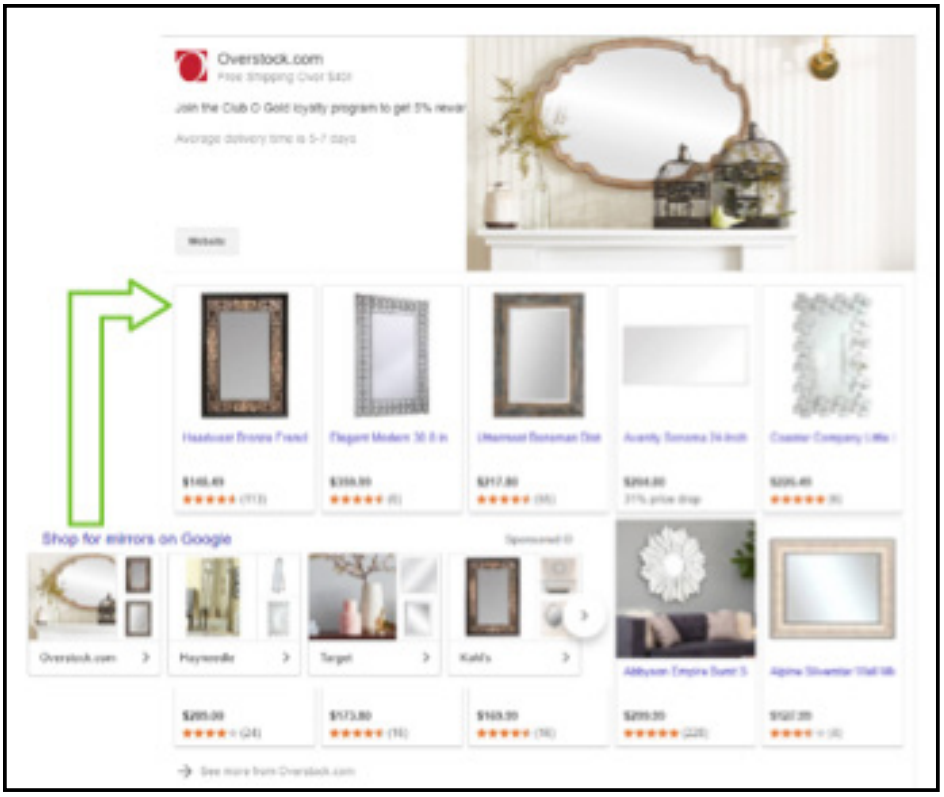
SHOWCASE ADS

Showcase Ads are a subset of shopping campaigns, aimed towards more top of funnel queries – if a user searches for a general query like "mirrors" or "backpacks," Google will roll up relevant products into a Showcase Ad to drive interest.

These ads are automated. Google will "pick" product selections as they see fit.

Like most things in Google, you can customize your chosen images by uploading a custom header image, and manage which products show in the ad itself by subdividing products in the feed.

Volume for Showcase Ads is low at this time, representing only a small percentage of queries.

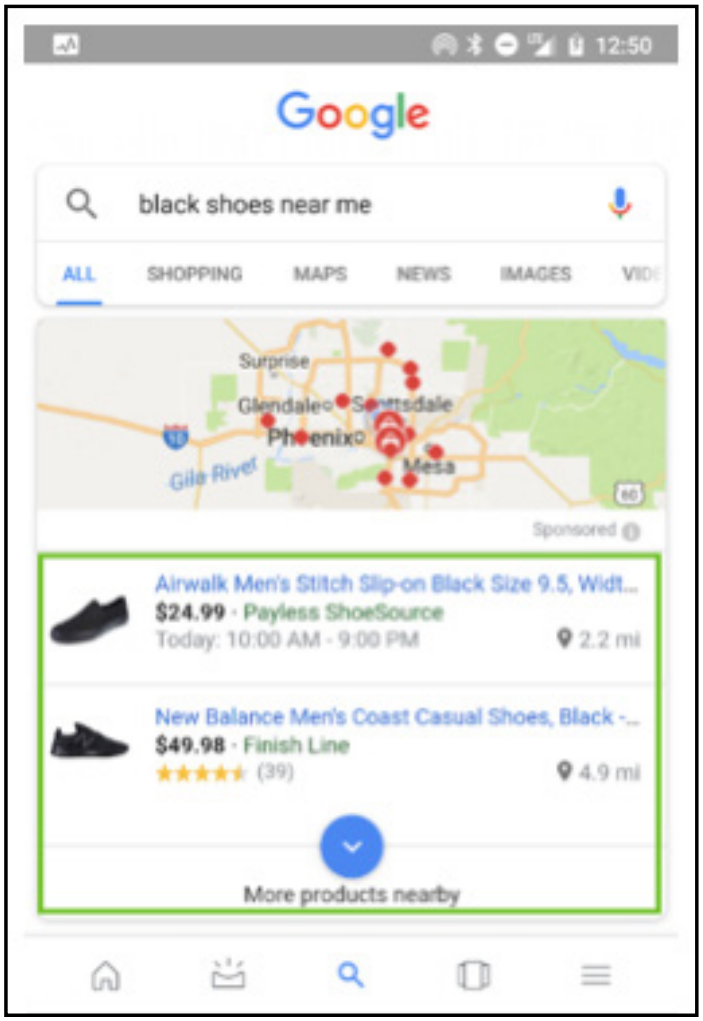


LOCAL INVENTORY ADS

Local Inventory Ads are a variation on shopping ads that mix with an inventory feed from stores.

When searchers are looking for a product available locally, Local Inventory Ads will provide a link for users to click and see a Google-hosted "landing page" called a local storefront, where they can gather more information about the product and store itself.

Again, the volume is low here and the ads require a clear feedback loop with local stores, which is easier said than done for most.



ON THE WEB

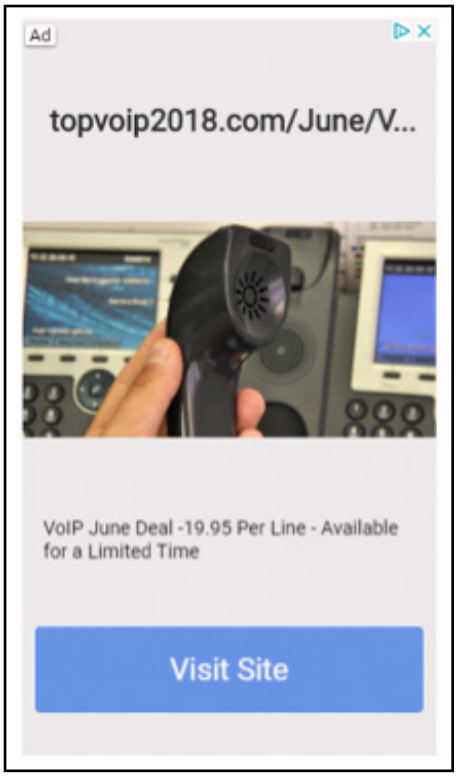
RESPONSIVE ADS

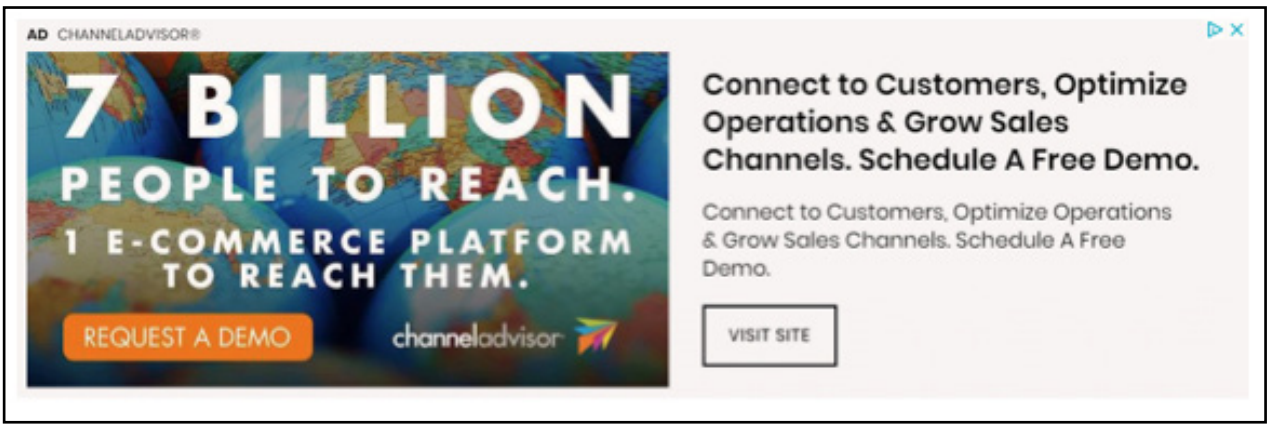
Responsive Ads are the Google Display Network's newest (and now only) form of text ads on the web.

You don't have an option to ONLY run text ads. Rather, ads will be a mix of text and display in different formats.

Much like Responsive Search Ads, advertisers will upload a variety of messages, logos, and images as ad components. Google will display the ad it thinks is best for a given ad unit and optimize accordingly.

The ads can render a little weird, as seen below:





So if brand messaging is important to you, make sure you view the ads in a number of different formats to align with how you hope the ads will look.

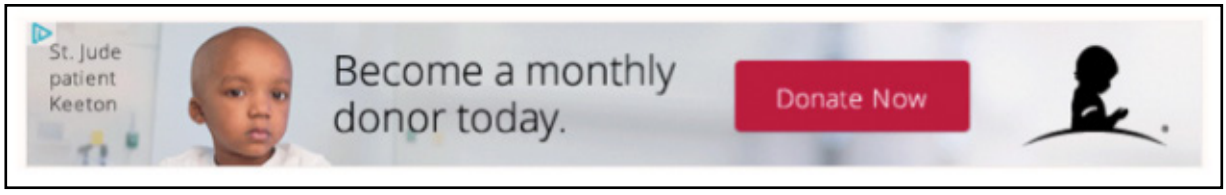
STATIC IMAGE ADS

Static Image Ads, while dated, are still common on the Google Display Network.

It's best to upload as many sizes as your team has time to make (pending bandwidth and costs), though it's important to know Google will occasionally squish or stretch ads to fit "close" ad sizes (called Seam Carving), which can distort ads or cut off the edges.

Contact your rep to opt out.

Should you have limited resources, Google keeps a list of the most **common ad sizes,** which is ever-changing as new and better devices are developed.



LIGHTBOX ADS

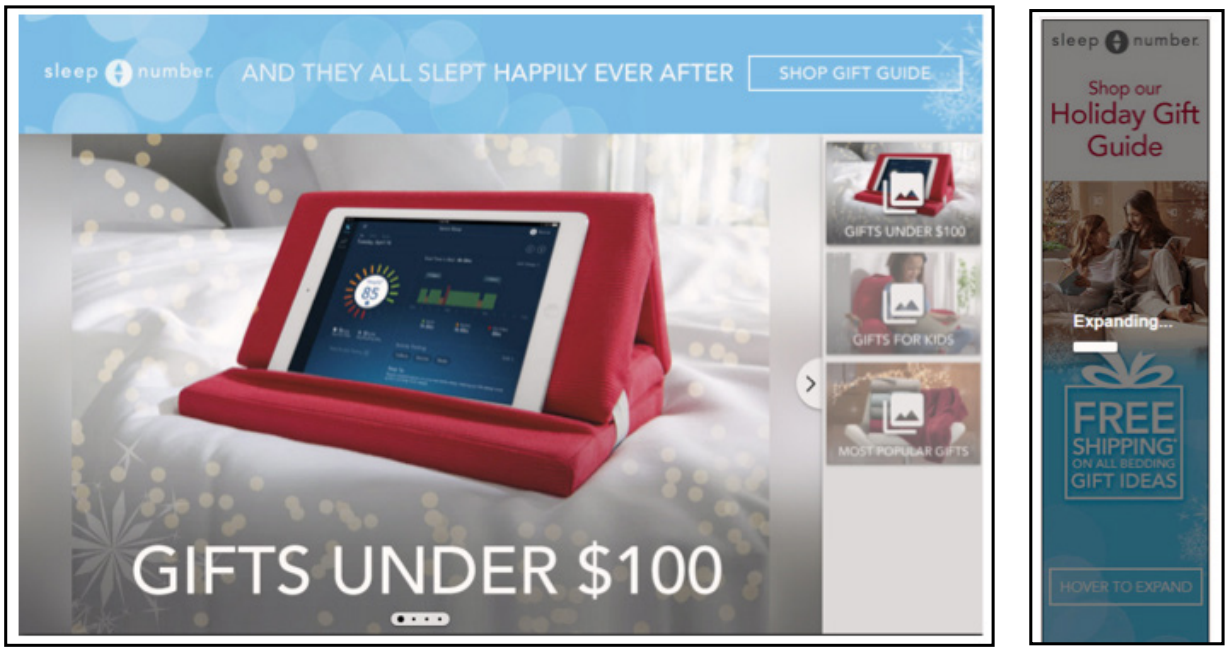
This is a richer ad unit designed for engagement and branding.

Lightbox ads take a number of different formats and are Google's format of a low cost "rich media" ad.

The ads are interactive – you can do things like flip through a product catalog, create an interactive video based on a YouTube video and much more.

The ads begin as standard banner sizes, but hovering over by the user for a short period of time (around 3 seconds) causes the ad to power up.

The ads are charged on either a CPM or CPE (cost-per-engagement).



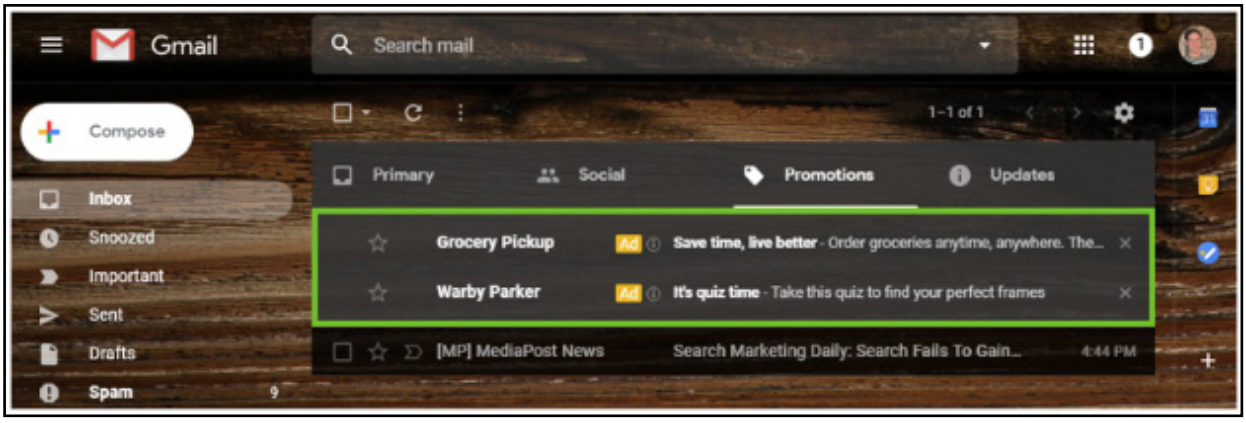
GMAIL SPONSORED PROMOTIONS

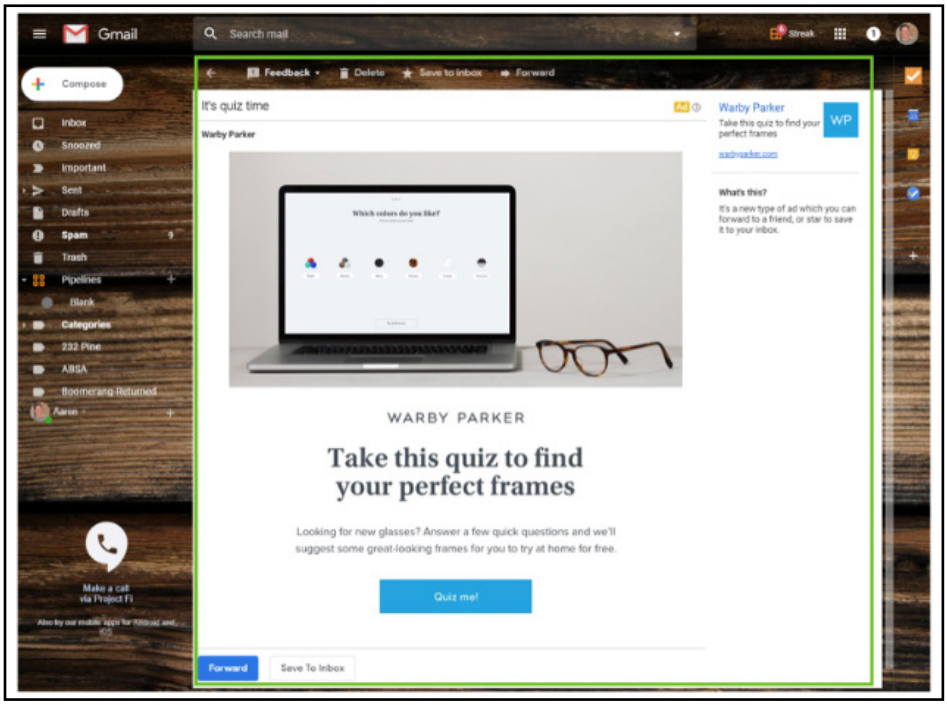
Gmail Sponsored Promotions appear in the promotions tab of Gmail both on desktop and the mobile app.

The ads are powered entirely by audience and interest targeting, including:

- Affinity audiences.
- In-market.
- Demographic.
- Customer match.

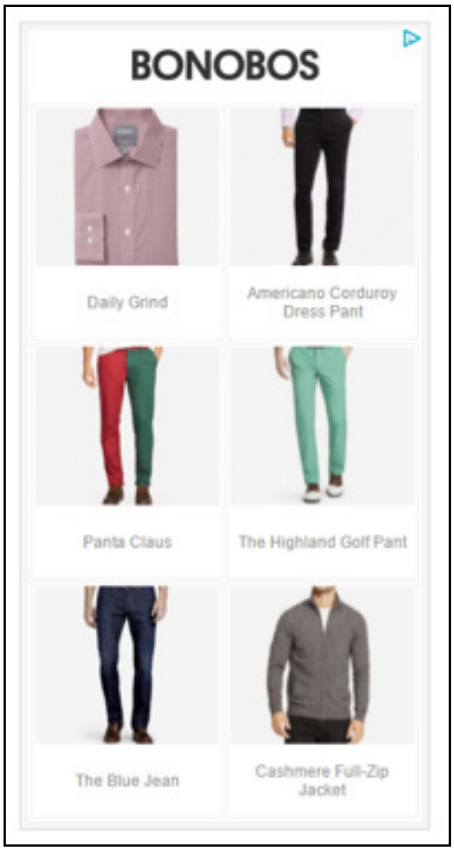
The ads are charged on a pay-per-open, meaning an "engagement" doesn't necessarily equate to a site visit.





DYNAMIC REMARKETING ADS

Dynamic Remarketing Ads are eponymous on the web – that pair of shoes you were looking at that just won't stop following you around.



The images are powered by the same feed as Google Shopping, and allow advertisers to show site visitors images, prices, and other pertinent information from the feed.

Google offers a few simple ad templates in their Ad Builder, so matching branding isn't always perfect, but they're a great place to start.

The ads are responsive, so they'll mold themselves to fit into a wide variety of ad units.

YOUTUBE

There's a huge variety of options available for video targeting on YouTube.

To keep it simple, ads fall into two formats:

- Video (e.g. running a commercial).
- Display (either promoting a video, promoting a site or accompanying your video ad).

Search ads were quietly retired in mid-2017.

IN-STREAM

In-Stream is a catch-all name for the various video ad formats.

Formats range from unskippable pre-roll videos to unlimited length ads embedded within longer form videos.

In-stream ads can be accompanied by optional companion banners overlaid on the top right or lower part of the video, custom call to action cards on top of the video or simply running as they are.

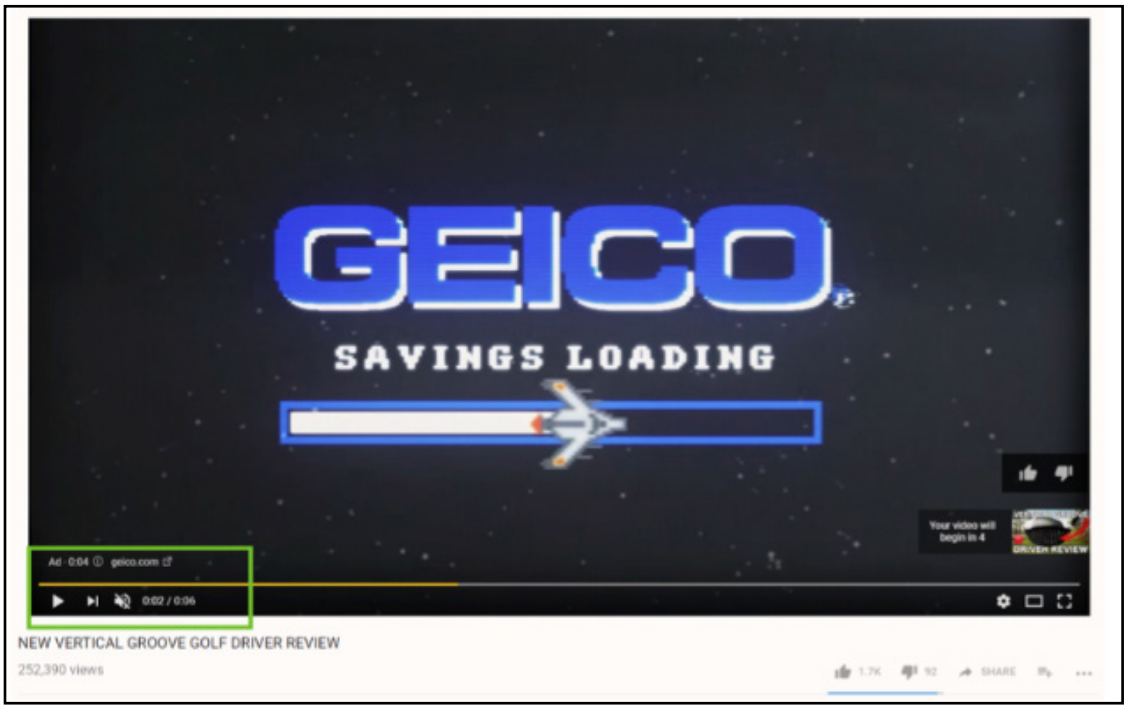
The possibilities are endless, but the key to remember with In-Stream ads is creative. There's no sense in spending a ton of money to promote a bad video.

BUMPER ADS

Bumper Ads are a relatively new format – they're unskippable formats of in-stream video ads and aim to get a short, punchy message across.

These ads are only six seconds long. Engagement and view rates are high while cost is nice and low.

Bumper ads are an efficient way to get your message across without having to invest a ton of money in a long-form commercial.



TRUEVIEW FOR SHOPPING

TrueView for Shopping, or shoppable videos, are a hybrid of Google Shopping ads and In-Stream ads.

If an advertiser is looking to get more direct conversion actions from their videos, these are a natural fit.

The ads are powered by your shopping feeds; like most feed-based products the ads can be responsive/automated, remarketing-based, or customized to feature a product that's directly in the video.

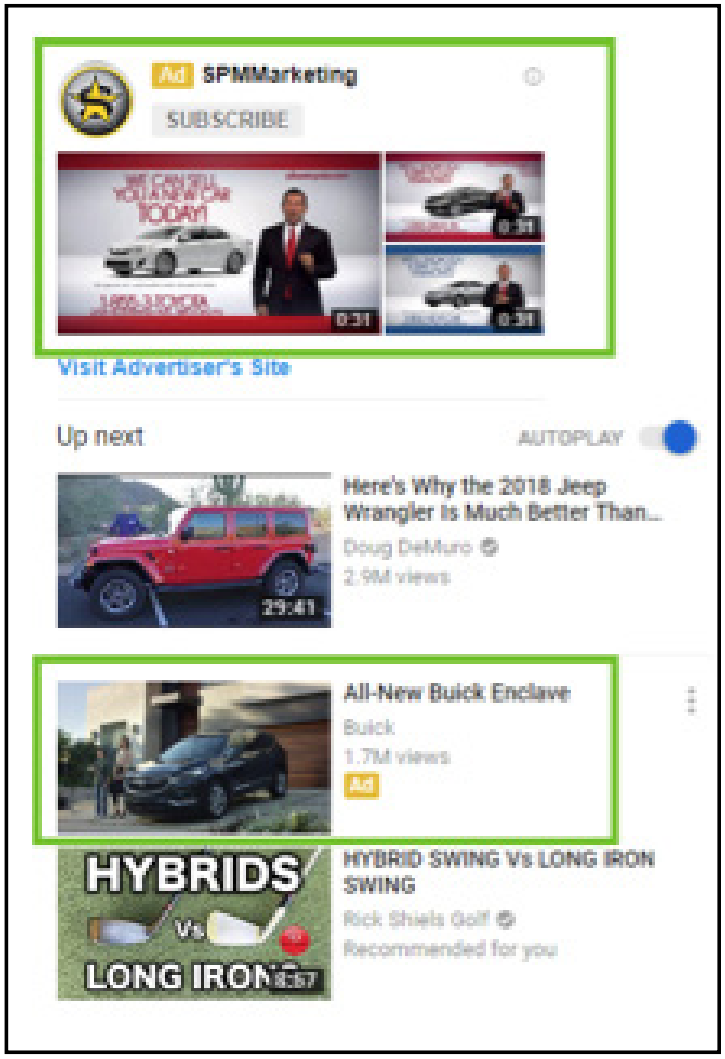
TRUEVIEW DISCOVERY ADS

TrueView Discovery Ads are a video-driven version of responsive display ads.

Advertisers will create a 25 character headline, two 35 character description lines, and choose from one of four auto-generated thumbnails (which can be customized).

The ads can appear on the right side as part of "recommended" videos, as part of YouTube search results or as an overlay on similar videos. TrueView Discovery Ads are a powerful tool to gain exposure for videos to boost views.

For additional information, inspiration, and ad formats, check out **Rich Media Gallery.**



CHAPTER 14

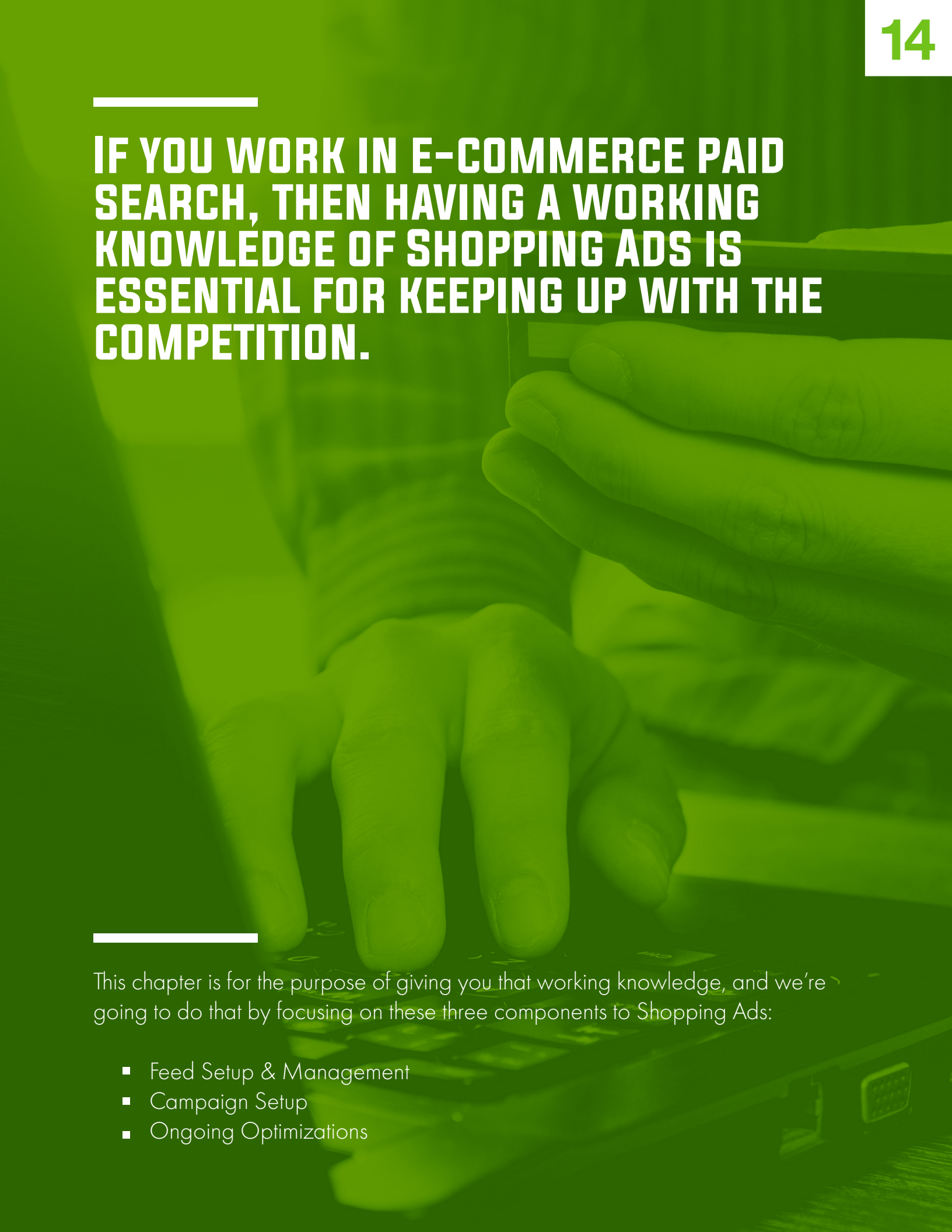
A Beginner's Guide to Google Shopping Ads

PPC: A COMPLETE GUIDE TO PAY-PER-CLICK ADVERTISING

SEJ EBOOK

Written by
Kirk Williams
Owner, Zato

IF YOU WORK IN E-COMMERCE PAID SEARCH, THEN HAVING A WORKING KNOWLEDGE OF SHOPPING ADS IS ESSENTIAL FOR KEEPING UP WITH THE COMPETITION.



This chapter is for the purpose of giving you that working knowledge, and we're going to do that by focusing on these three components to Shopping Ads:

- Feed Setup & Management
- Campaign Setup
- Ongoing Optimizations

FEED SETUP & MANAGEMENT

Because Shopping Ads are automated based on data you send to the engines, shopping feeds are crucial to success in Shopping Ads.

For feeds to work as needed, you need to send the feed with a feed provider (or do it yourself) to Google/Bing Merchant Center, after which you need to link those to the engines so you can actually advertise them.

What are you actually doing in Google Merchant Center?

You are sending your product data to make a feed according to specifications (make sure you get required fields completed, and add as many recommended fields as possible):

- **Google Merchant Feed Specifications**
- **Bing Feed Specifications**

Please note, Google Merchant Center is a unique entity in which you will need to create a (free) account in order to manage and send your feeds to AdWords.

However, Bing Merchant Center is currently within the Bing UI only in the "Tools" tab.

Tip: When you first push up a feed, it can take between 24 and 72 hours in both Google and Bing for the feed to be approved, so be patient. Don't wait until you needed the products up yesterday to do this.

DATA FEED PROVIDER

If you have only a handful of SKUs, you can actually just use **Google Sheets to integrate directly** with Google Merchant Center.

If you are a fairly large company with developers to spare, then you may want to consider creating and sending your own XML file directly into Google Merchant Center.

If you just want someone else to do the work, you can contract with a third-party feed provider to assist you in sending the feed.

Even with a provider, you will still need to work with the feed provider to get your data to them in some format.

Once this is finished, and your products have been approved, you can then begin building campaigns in AdWords!

You will need to first link your AdWords account in the Google Merchant Center settings, which is found in the tools and Linked Accounts section of the AdWords UI.

CAMPAIGN SETUP

Building campaigns in AdWords or Bing for Shopping is a detailed, and long discussion beyond the scope of this chapter.

So here are a few things I want to point out to you to consider as you build Shopping campaigns.

First, don't just stick with a single campaign in your account, trusting the search engines to match everything up perfectly. This limits you in many ways, but primarily in bidding.

You set bids based upon product groups. However you have segmented those product groups out, you are in essence setting one bid for scores of queries of varying levels of intent.

Initially, I would recommend segmenting out your catalog based upon natural categories based on how your customers search, or on other factors such as product cost or success.

It's crucial to grasp the idea of controlling how you can bid as you consider setting up your Shopping campaigns.

For example, in a client with an apparel focus and high volume of brand loyalty, it may make sense to separate your campaigns by Top Brands, or at the very least by ad group so you can control bids individually.

The thing to remember about segmenting categories or brands by Campaign or Ad Group is that you can better control negative keywords and thus push queries in between campaigns or ad groups.

We need to be able to bid separately on query buying intent, and we can do that using the Priority settings structure.

When you do so, according to **this article,** you can pull unique query groupings into unique campaigns so you can bid separately on them.

A final way to consider is to segment campaigns by device.

I have found increasing success in clients by keeping our primary campaign structures less complicated, and then integrating Device segmentation on at a campaign level.

This allows you to tightly control and respond with bidding to what the data is saying, rather than just setting general bid modifiers.

However, be careful when analyzing this.

You need to understand how users journey to purchase across multiple devices before being too quick to kill bidding across any single device.

You may discover many people first enter on a mobile device and then purchase later.

Whatever you do, figure out what works best for your account and get building out beyond one campaign and one ad group.

ONGOING OPTIMIZATIONS

When it comes to Shopping Ads, setting them up isn't the final act of work done on the account.

While there is a level of automation to them, there are also things you should do to keep your Shopping campaigns humming and profitable.

One of those things is to monitor and take action on your search query report in Shopping campaigns.

I recommend getting into the account regularly (at least weekly or monthly, depending on your account size) to mine through your search terms as there will be times Google or Bing gets out of control in what they allow to match to your products and you will want to add those as exclusions.

You can also find opportunities here to add into your Search campaigns as well if Shopping demonstrates positive results for some queries you're not currently targeting with text ads.

Another aspect of Shopping Ads you can optimize on an ongoing basis is the product feed.

There are many fields in the Feed, so I think it's easiest to start with these:

- Titles and Descriptions
- Prices
- Images
- Product Group Bidding

TITLES & DESCRIPTIONS

Make sure to identify the terms your searches use to purchase your products and add those terms into your titles and descriptions.

If you don't know where to find keywords to use as tests, you can identify keywords with volume in the Keyword Planner and test some ideas from there out to see if your products can get more exposure.

PRICES

This is tricky because you can't usually directly impact product pricing as the PPC manager.

However, this is important to driving overall revenue growth, as well as potentially on the algorithm itself (see this **SlideShare of a presentation by Andreas Reiffen,** beginning at Slide 11).

While you can't make too much of an impact directly yourself, you can keep an eye on when sales for specific products inexplicably drops and investigate as to when that is due to competitor pricing.

You can also make sure you communicate the need for Shopping Ads to have a place at the pricing discussion table with your superiors.

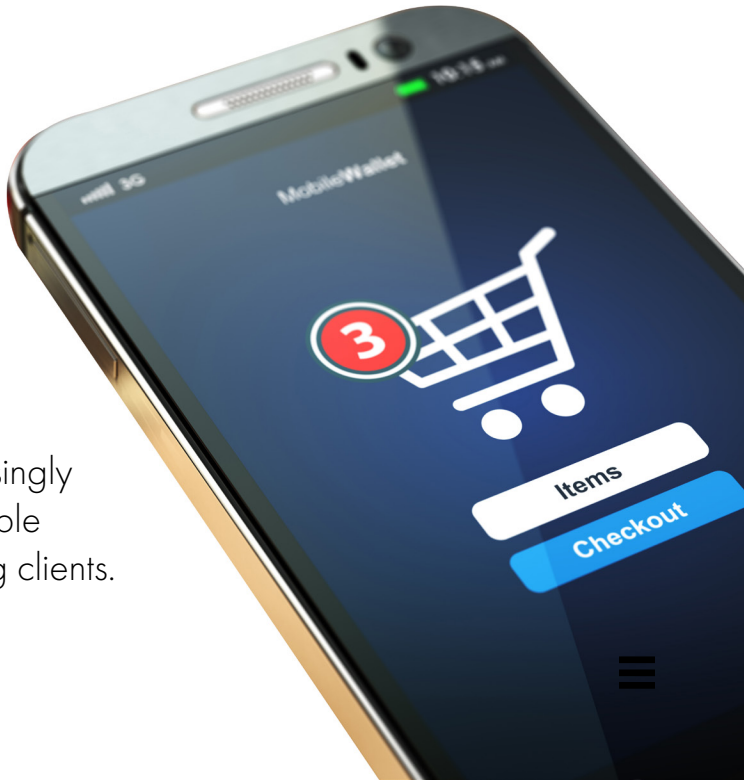
IMAGES

Your image is the crucial visual part of a Shopping Ad. Getting this right could have a decent impact on your traffic and sales.

The key tip to bring out for images in Shopping Ads, is to make them stand out. You may do this by testing model or product images, or some other means. Just make sure they are in line with Shopping Ad image policies.

Marketing is often about distraction and catching attention. There is a strong case to be made for testing images that disrupt your current SERPs.

PRODUCT GROUP BIDDING



The final ongoing optimization in Shopping Ads to note is the topic of bidding well.

In thinking through micro-bid adjustments, it's important to note that bid automation is increasingly valuable, yet there are still not a ton of affordable options that work for small to mid-tier Shopping clients.

You may want to investigate some of the automated bidding options in Google, as their algorithms have improved over the years.

However, as with everything else, make sure you are testing that and monitoring carefully.
Make sure you also have enough conversion data to five the algorithms enough to work off of.

If you are like me and you want to build your own bidding rules, you can do so easily with Saved Filters in the AdWords UI (note, you can't do this in Bing UI at the product group level, but Bing Ads have noted this will be coming soon).

What you want to do is to think through the ways you normally make decisions on how to determine whether a product group is or is not profitable.

Save that filter and voila! You have an easy bidding rule you can check once a week or whatever preset to your rules.

One rule example to demonstrate this, create a filter for Product Groups in the AdWords UI with the following parameters:

Profitable Products with more market share to be gained.

- Past 7 Days (give enough time to make a good decision)
- All product groups spending over $100 (ignore product groups without enough data to make good decisions)
- Search Impression Share lower than 50 percent (there is more market share for them to be gained)
- Tracked ROAS above your target (let's say 300 percent)
- Over 1 Sale (you want to make sure this is more than just catching products with accidental, big one-time sale anomalies)

The key here is to make sure that you are identifying what product groups:

- Have enough data to make a wise decision.
- Have room to grow or shrink in market share.
- Are or are not meeting your goals.

Once you focus on these aspects, you'll be able to create smart bidding rules in bulk for your product groups in your Shopping Campaigns.

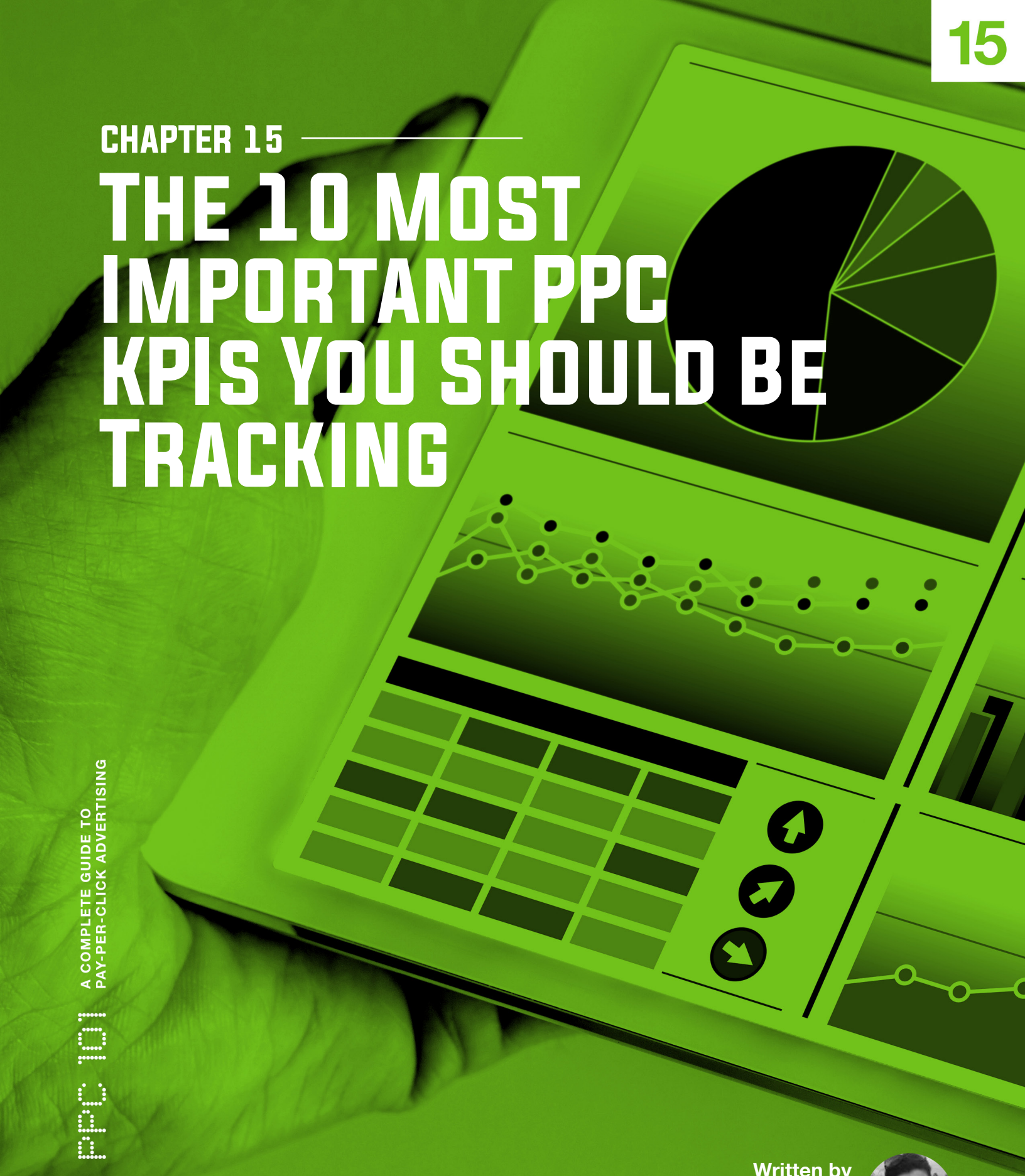
One final note of caution: don't forget that Shopping Ads target all stages of the funnel.

This means you need to think wisely about how the bidding decisions you are making are impacting total online revenue and you will want to pull campaigns to target queries based on where they are in the funnel, and then use a different attribution model to identify success.

Whatever you do, make sure you aren't under-valuing sales by making decisions based only on last click attribution ROAS.

CHAPTER 15

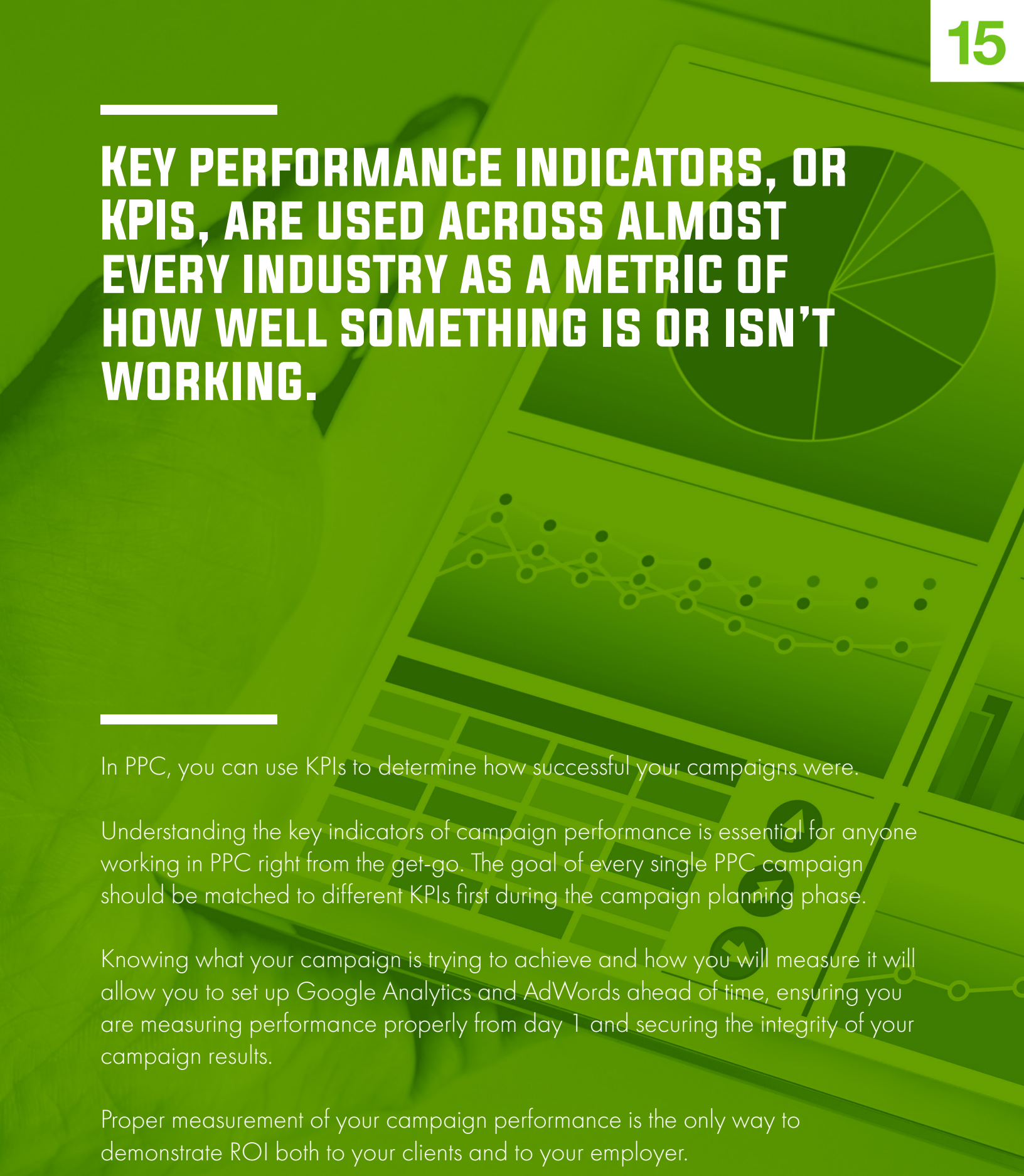
The 10 Most Important PPC KPIs You Should Be Tracking



Written by
Chandal Nolasco da Silva
Content Director, Acquisio

SEJ EBOOK

KEY PERFORMANCE INDICATORS, OR KPIS, ARE USED ACROSS ALMOST EVERY INDUSTRY AS A METRIC OF HOW WELL SOMETHING IS OR ISN'T WORKING.



In PPC, you can use KPIs to determine how successful your campaigns were.

Understanding the key indicators of campaign performance is essential for anyone working in PPC right from the get-go. The goal of every single PPC campaign should be matched to different KPIs first during the campaign planning phase.

Knowing what your campaign is trying to achieve and how you will measure it will allow you to set up Google Analytics and AdWords ahead of time, ensuring you are measuring performance properly from day 1 and securing the integrity of your campaign results.

Proper measurement of your campaign performance is the only way to demonstrate ROI both to your clients and to your employer.

Here are the 10 most important PPC KPIs to use.

NUMBER 1

CLICKS

Every conversion starts with a click. That's why clicks are an early indicator of PPC campaign success.

This KPI measures how many people clicked on your ad.

Campaign managers often check in on accounts throughout the month to pause ads that are not performing and even increase the bids on ads that are.

Clicks are a great KPI for that mid-month account performance checkup; however, the success of a campaign shouldn't be determined solely by clicks.

NUMBER 2

CLICK-THROUGH RATE (CTR)

Similar to measuring how many clicks your campaign generated, CTR is a key metric for campaign performance.

CTR is measured by dividing the total number of clicks your campaign got in the month (or period being reported) by its total impressions. This equation tells you that out of say 1,000 impressions, your ad was clicked 100 times and your CTR is 10 percent for example.

Knowing what CTR is and how to measure it is key to being able to indicate your performance, but keep in mind that there is no perfect CTR campaign managers should be striving for.

PPC performance varies by industry and a number of other campaign variables.

For example, WordStream **analyzed** the PPC performance on just over 2,000 U.S. businesses and found that the average CTR in search was 2.14 percent in the auto industry versus 3.40 percent in the dating and personals industry.

Campaign managers running campaigns in the U.S. could use the numbers reported by WordStream to benchmark their own CTR success, but should be wary of other variables not accounted for in the analysis like budget spend – but it's a place to start.

Benchmarking and improving the CTR of different campaigns is important not just as a measure of success, but also because it can affect other KPIs like Quality Score.

NUMBER 3

QUALITY SCORE

Quality Score is the most elusive KPI amongst PPC advertisers.

It is a metric created by Google that tells them how relevant your ad content is, using metrics like CTR and other performance variables like landing page experience.

Advertisers find it difficult to understand Quality Score because it's less straightforward than other easily measured KPIs, like clicks.

Using the expected CTR, landing page experience, ad relevance, and ad format, Google is able to determine a campaign's Quality Score.

Google is transparent about how Quality Score is measured by their team and why it's necessary. Hal Varian, Google's Chief Economist, explains how Quality Score works in the AdWords auction in **this popular video.**

Google improved how Quality Score is reported in AdWords in 2017, but it still comes down to this simple fact:

- A good Quality Score (between 7 and 10) means you pay less money to advertise with AdWords.
- A bad Quality Score (6 or lower) means you pay more money.

Google's changes to Quality Score reporting made Quality Score easier for advertisers to use in AdWords and began providing historical data about the KPI as well. These insights give advertisers necessary information to make smarter campaign decisions.

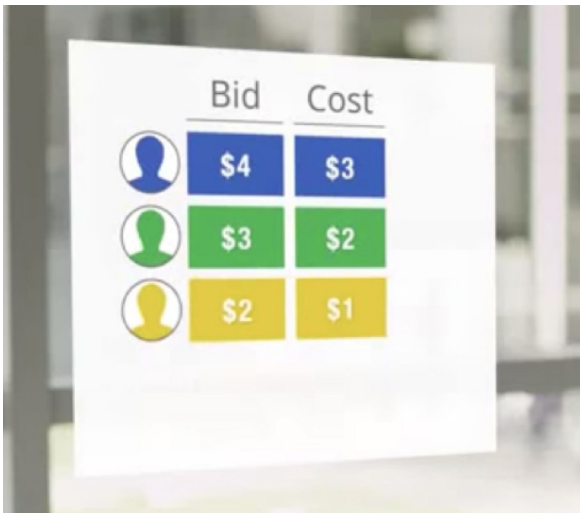
Despite the confusion, advertisers remain extremely interested in improving Quality Score because it determines how much they pay for each click. In turn, Quality Score can affect other KPIs such as CPC and CPA.

NUMBER 4

COST PER CLICK (CPC)

PPC advertisers know how much they can pay for an ad campaign because they typically have a predetermined budget. However, while they specify a budget and a bid when doing the setup of a PPC campaign, it doesn't mean that this is what they will pay.

Advertisers outcompete competitors for ad positions with their bid, but pay the next highest bid price. The image below demonstrates this concept:



Therefore the cost of putting up an ad and for the clicks it generates is largely determined by other competitors in the PPC auction.

CPC measures exactly how much an advertiser has paid. You can measure CPC by dividing the total cost of a campaign by the number of times the ad was clicked in that campaign.

If you want to manually check the cost of your campaign, you could multiply CPC by the number of clicks a campaign received.

NUMBER 5

Cost Per Conversion/ Acquisition (CPA)

Similar to CPC, you can set a cost per acquisition (CPA) when you set up your advertising campaigns.

Google defines the average CPA as the price advertisers pay for every new customer they acquire, which is calculated by dividing the total cost of conversions by the number of conversions. Google determines the CPA based on your Quality Score.

However, there is a bit more to the CPA story.

While average CPA is pretty easy to digest, advertisers can also make use of Targeted CPA, a bidding technique applied during campaign set up. Targeted CPA helps advertisers set bids automatically to get as many conversions as possible, based on a set CPA determined by the advertisers' budget.

However, to make use of targeted CPA you have to understand different bidding strategies, set up conversion tracking and have at least 30 conversions in the last 30 days.

NUMBER 6

CONVERSION RATE (CVR)

Conversion rate is not only an indicator of campaign success, it is the reason PPC marketers are hired in the first place.

You can measure conversion rate in AdWords by dividing the number of conversions the campaign received by the total clicks. Since conversion rate is expressed as a percentage, if the campaign had 100 clicks and 10 conversions, 10/100 means that the conversion rate would be 10 percent.

While campaign managers always have an eye on conversions, they will often set up campaigns to optimize for clicks rather than conversions.

You can now aim for conversions based on CPA goals rather than focusing on clicks or impressions. However, to be eligible to optimize for conversions, your account must have had at least 15 conversions in the last 30 days.

NUMBER 7

IMPRESSION SHARE (CPM)

An impression occurs when a person sees your ad. It doesn't matter whether they click on it.

Looking at how many impressions a campaign generated isn't an indicator of success because it doesn't express how many people found your ad effective.

However, impression share does add context to the reporting story by stating how much of the total impressions your ad campaigns are getting.

Determined by dividing the total impressions your campaign received by the total number of impressions your campaign was eligible for, Google says:

"Eligible impressions are estimated using many factors, including targeting settings, approval statuses, and quality. Impression share data is available for campaigns, ad groups, product groups (for Shopping campaigns), and keywords."

Impression share gives marketers indirect competitive insight. Knowing that you have 50 percent impression share for a keyword, tells you that your competitors own the other 50 percent.

If you increase your impression share, you are in turn decreasing the amount of times your competitors ads are shown. If you're looking to increase their impression share you'll have to increase your bids and/or budgets.

NUMBER 8

AVERAGE POSITION

Google balances both paid and organic search results for almost every search query entered.

Ads on Google or Bing can show at the very top of the search engine results page (SERP) in position 1, right underneath the next ad shown is in position 2, and so on.

Average position tells advertisers which position their ad is shown in most of the time. Google can't simply give the highest bidder the first position all the time, so they determine average position based on ad rank.

Ad rank is calculated by multiplying Quality Score by an advertiser's max cost per impression (CPM). However, since average position is indeed an average, even knowing how to calculate it isn't the full story since if your average position was 3, you may have been in position 1, 4 and 6 earlier that day.

Since the first 1-3 ads are shown before even the organic search results everyone worked so hard on, many businesses advertising on Google would

like to be visible right out of the gate in position 1. It makes sense to want to be in the first position, but the aim to do so is mostly one of vanity, because being in first position doesn't necessarily mean results.

Some advertisers may have more conversions in position 4 than position 1 for whatever reason. You should use average position to provide context around campaigns and campaign reporting, but it shouldn't be used as a target indicator.

NUMBER 9

BUDGET ATTAINMENT

Paid search marketers are almost always given a monthly budget to run ad campaigns with. Budget attainment measures how closely that agency or individual came to achieving the budget they set out to.

Most PPC marketers don't consider budget attainment when it comes to measuring their PPC performance, despite how much information it provides on how campaigns are being managed.

The reason why marketers tend to over or under spend the budget every month is because it's difficult to bid consistently and maximize results with ongoing fluctuations in the PPC auction – a task that requires ongoing oversight and optimization (without the use of machine learning).

Regardless, I'm making the case that budget attainment is a KPI that PPC marketers need to think about.

NUMBER 10

LIFETIME VALUE

LTV is a broad indicator of account health and of a PPC marketer's abilities.

But calculating customer lifetime value for paid search is complex.

Companies that retain customers acquired via paid search longer will make significantly more revenue.

While LTV is a measure of a business's customers lifetime with their product and/or services, it can be measured in different ways.

For example, in the case of a martech provider LTV could be measured simply by looking at the number of days, months, or years a client stayed with the platform.

In the case of a large company like Starbucks, measuring LTV can actually be quite complex. There are numerous considerations (e.g., average customer lifespan, customer retention rate, profit margin per customer, and applied discounts).

While PPC marketers typically wouldn't take on complex calculations of LTV like Starbucks, knowing how this KPI is measured in other departments could certainly come in handy. Just be aware that LTV means slightly different things to different marketers, but is fundamentally the same across all of them.

REPORTING ON PPC KPIS

KPIs are not mutually exclusive.

It's unlikely that the performance on one indicator is the best it has ever been while others are the worst.

For instance, you wouldn't expect to have a super high CTR and a low Quality Score because the two are related. They tell different parts of the same story.

Improving CTR can positively impact Quality Score, and improving Quality Score can positively impact cost per click and cost per acquisition, in turn creating more profitable PPC campaigns for customers who stay longer.

With all of this in mind, it's important that advertisers begin improving their performance at the level of clicks, while also making sure to not get caught up in one single number and remembering to take a step back and look at the KPIs that paint a more complete picture, like LTV.

While it's nice to report on every metric included above, KPIs should be assigned to a campaign based on what makes the most sense for the client and their goals.

Stick to what clearly indicates progress according to your clients' standards and don't overload them with extra KPIs just to look good – less is more when it comes to client reporting.

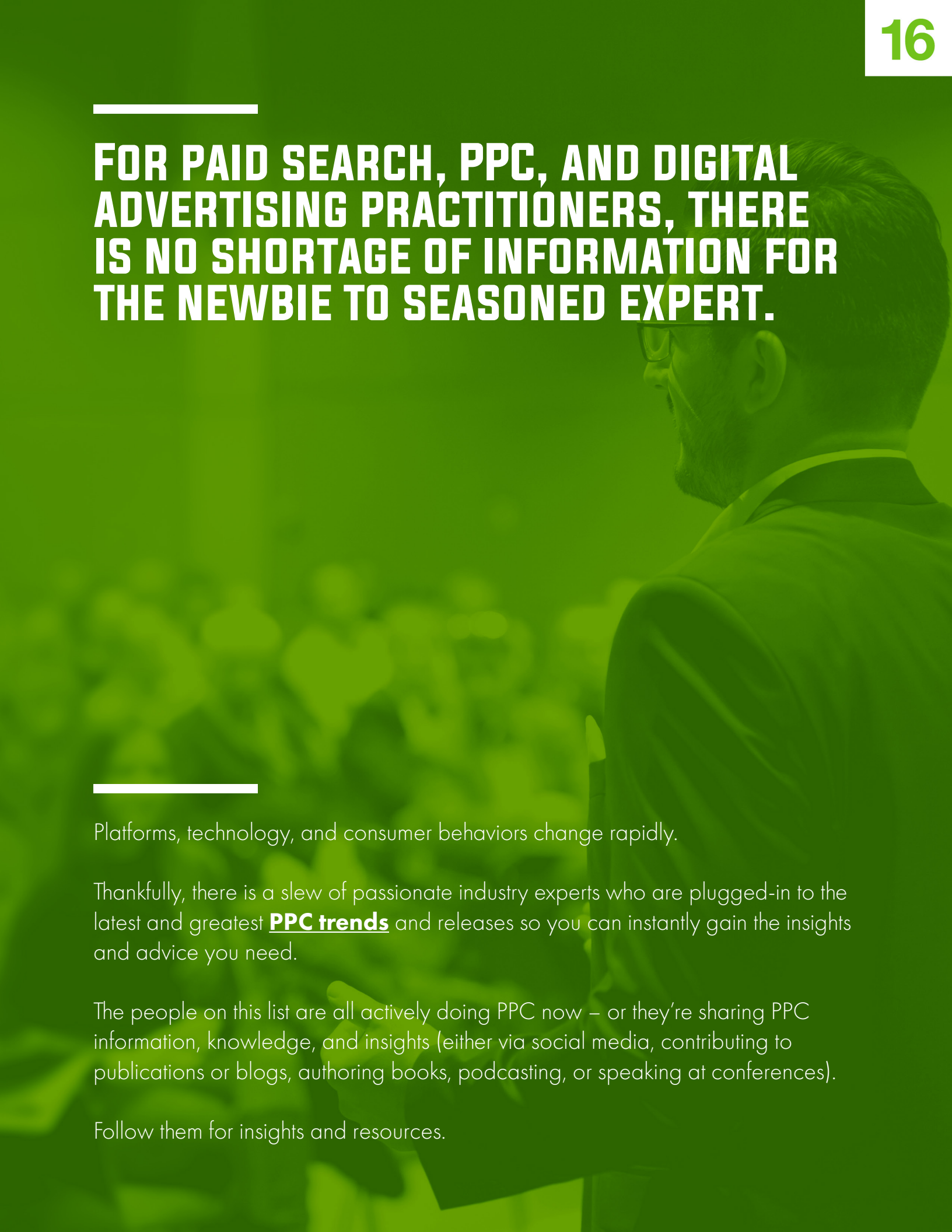
CHAPTER 16

13 OF TODAY'S TOP PPC EXPERTS TO FOLLOW

Written by
Lisa Raehsler
SEM Strategy Consultant, Big Click Co.

SEJ EBOOK

FOR PAID SEARCH, PPC, AND DIGITAL ADVERTISING PRACTITIONERS, THERE IS NO SHORTAGE OF INFORMATION FOR THE NEWBIE TO SEASONED EXPERT.



Platforms, technology, and consumer behaviors change rapidly.

Thankfully, there is a slew of passionate industry experts who are plugged-in to the latest and greatest **PPC trends** and releases so you can instantly gain the insights and advice you need.

The people on this list are all actively doing PPC now – or they're sharing PPC information, knowledge, and insights (either via social media, contributing to publications or blogs, authoring books, podcasting, or speaking at conferences).

Follow them for insights and resources.

BRAD GEDDES

Follow @bgtheory on Twitter

The premier AdWords seminar leader, Brad Geddes has spoken at over 60 conferences all over the world. He is a book author and avid blogger, sharing his inside knowledge on PPC and Adwords.

LARRY KIM

Follow @larrykim on Twitter

Read Larry Kim on Search Engine Journal

Larry Kim is an entrepreneur and expert in digital marketing specializing in AdWords, Facebook Ads, and chatbots. As a speaker, columnist, and avid tweeter, he blows the minds of followers with insights on recent trends, stats, and actionable tips for practitioners.

GINNY MARVIN

Follow @GinnyMarvin on Twitter

Ginny Marvin is a popular professional columnist and speaker in digital marketing and paid media, such as PPC, display, native, video, mobile, and more with thousands of readers.

DAVID SZETELA

Follow @Szetela on Twitter

David Szetela is the host of the world's longest running podcast on PPC, PPC Rockstars. He is an author and active conference speaker.

JOHN LEE

Follow @john_a_lee on Twitter

Read John Lee on Search Engine Journal

John Lee is a speaker, writer, and paid search geek with a current focus on training for Bing Ads. As an entrepreneur, he is well versed in numerous verticals and can rarely be stumped with any PPC question.

AARON LEVY

Follow @bigalittlea on Twitter

Read Aaron Levy on Search Engine Journal

As an industry writer and speaker, Aaron Levy frequently takes deep dives in PPC and recent trends using his keen eye for consumer psychology and buyer behavior and its impact on paid media.

ELIZABETH MARSTEN

Follow @ebkendo on Twitter

Read Elizabeth Marsten on Search Engine Journal

Elizabeth Marsten is an industry speaker, writer, and book author. She specializes in e-commerce PPC, product ads, feeds, and is a leading authority on the inner workings of Amazon ads.

MICHELLE MORGAN

Follow @michellemsem on Twitter

Read Michelle Morgan on Search Engine Journal

An industry speaker and avid blogger, Michelle Morgan regularly tweets with an emphasis on the nerdy nuts and bolts and secret tips of PPC.

MELISSA MACKEY

Follow @Mel66 on Twitter

Probably the most knowledgeable person on B2B PPC on the planet, Melissa Mackey shares her insights via speaking, blogging, and on Twitter and Twitter chats.

FREDERICK VALLAEYS

Follow @siliconvallaeys on Twitter

Read Frederick Vallaeys on Search Engine Journal

As a former Google AdWords evangelist and founder of his own company, Frederick Vallaeys is an expert on AdWords Scripts, reports, and automations. He is a also a long time industry speaker and writer.

PURNA VIRJI

Follow @purnavirji on Twitter

As one of the most influential PPC experts in the world, Purna Virji travels globally to educate audiences on PPC, AI, machine learning, and voice search technologies. She is keynote speaker and writer as well.

MATT VAN WAGNER

Follow @mvanwagner on Twitter

Matt Van Wagner is a long-time speaker and writer on PPC. His creative industry presentations educate as well as entertain with real-life examples of his experience in the paid search industry.

KIRK WILLIAMS

Follow @PPCKirk on Twitter

Kirk is an avid tweeter, industry writer, and conference speaker who is actively involved in Twitter chats such as #PPCChat.