# 11

# Search advertising

**In this chapter, you will learn:**

» How to put together a search advert

» How to target your search ad at relevant users

» The process of bidding on key phrases and how this affects your ranking

» How to plan, set up and run your own search advertising campaign.

## 11.1 Introduction

Search advertising, also called pay-per-click (PPC) advertising, is a way to advertise your business or product directly on search engine results pages, where the advertiser pays only for each click on their advert.

Online advertising continues to evolve, available formats range from simple text search adverts through to rich media banners and even video adverts Search ads account for 48% of online ads. And more than 75% of those search ads are through Google.  Google earned nearly US$ 25 billion in search ad revenue alone for 2016. Their market share is expected to hit over 80% by 2019, with an expected revenue of over US$ 35 billion (Townsend, 2017).

Adverts on search engines are easy to spot as they're clearly labelled as advertising and are separated from organic search results. They can appear on the top of the results page, usually in a box, or at the bottom of the results page.
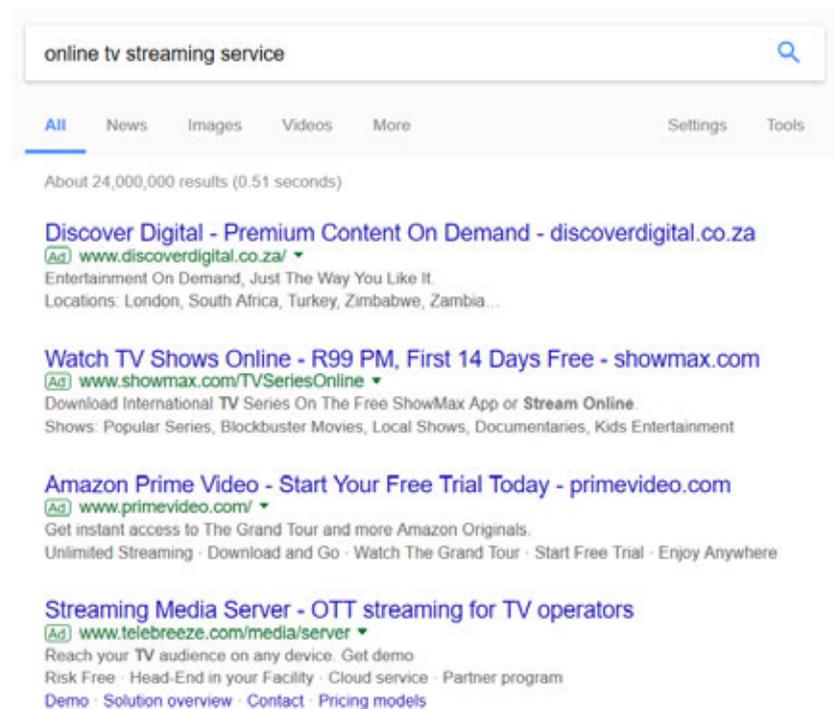


*Figure 1. Search adverts appearing in a search for digital marketing.*

Search advertising on search engines is keyword based. This means that it is triggered by the search term that a user enters into a search engine. Advertisers target the keywords for which they want their site to appear.

For the advertiser, the beauty of search advertising is that adverts are displayed when potential customers are already expressing intent meaning customers are searching for a product or service. It allows advertisers to present their offering to a potential customer who is already in the buying cycle.

Google is, by a wide margin, the leader in the search advertising field; because of this, the chapter is very Google-centric, though the same principle should apply to any other search advertising platforms. Other platforms to be aware of are Bing, Yahoo! and Baidu.

## 11.2 Key terms and concepts

| Term | Definition |
|---|---|
| Clickthrough | A click on a text ad link that leads to a website. |
| Clickthrough rate (CTR) | The total clicks on a link divided by the number of times that ad link has been shown, expressed as a percentage. |
| Conversion rate | The number of conversions divided by the number of visitors, expressed as a percentage. |
| Cost per action (CPA) | The amount paid when a certain action is performed by a user. |
| Cost per click (CPC) | The amount paid when a link is clicked on. |
| Google AdWords | Google's search advertising program, which allows advertisers to display their adverts on relevant search results and across Google's content network. |
| Impression | Each time an advert is shown. |
| Key phrase | Two or more words that are combined to form a search query, often referred to as keywords. |
| Keyword | A word found in a search query. For example, a search for 'blue widgets' includes the keywords 'blue' and 'widgets'. |
| Organic results | Also known as natural results. Search results served by the search engine's algorithm. The search engine does not charge website owners to list these results. |
| Paid search advertising | Usually refers to advertising on search engines, sometimes called pay-per-click or PPC advertising. The advertiser pays only for each click on the ad. |
| Quality score (QS) | A measure used by Google AdWords to indicate how relevant a keyword is to an ad text and to a user's search query. |
| Return on investment (ROI) | The ratio of profit to cost. |
| Search term | The keywords a user enters when searching on a search engine. |
| Search engine results page (SERP) | The actual results returned to the user based on the search query. Sponsored results are search engine results that are paid for by the advertiser. |

*Table 1.*

## 11.3 Defining search advertising

As discussed, search advertising involves placing online advertisements on search engine results pages to connect your product with consumers who are likely to be in the buying phase of the customer lifecycle.

Search engines display results to search queries based on proprietary algorithms. Each major search engine uses its own formula to determine what results to display for any term. The vast majority of searchers don't click through to the second page of results (less than 10% of people do), which means they are likely to find what they're looking for on the first page (Sharp, 2014). With search engines getting so much traffic and delivering so much value, they need to find a way of generating revenue.

With so many search engines out there, which platform should you choose?

There are some small differences from platform to platform in terms of editorial policy and each system has a different user interface. There is some theory that different platforms are better for different industries, for example, that Yahoo! fares better than Google on travel advertising. However, this is subjective and most large advertisers will run PPC campaigns on a number of platforms. As with most things in digital marketing, it is all about testing.

Google AdWords is the best known and is considered the industry standard; it allows users to transact in the currency of their choice, is tied to a comprehensive analytics tool and offers training programmes and certifications. Google AdWords also currently has the best contextual and geographical targeting worldwide, although geo-targeting is also offered by Bing Ads, Facebook Ads, LinkedIn Ads and YouTube video ads (which is closely linked to AdWords).

### 11.3.1 Structuring your search advertising campaign

When you start running search advertising, you shouldn't just create a whole stream of ads, you need to have a plan.
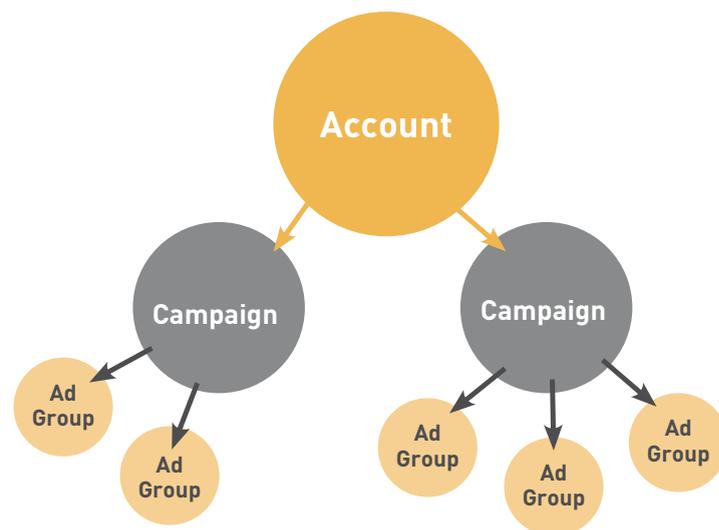


*Figure 2. The main constituents of an AdWords campaign.*

Your AdWords account is your home for all the ads you are currently running and it should be structured to reflect your business and marketing strategy. Within your account, organise your search adverts in groupings, called campaigns, according to your strategy and the ads you are running. Within each campaign, you should have ad groups; these are sets of ads that have a common characteristic or focus. For example, if you are selling books online, you may have ad groups focused around a specific genre, author, event and special offer, as well as some ad groups around general themes such as promoting local stores, or making online sales.

> **NOTE**
>
> Many search advertisers create ad groups for branded terms, competitor terms and generic key phrases related to the industry.

Structuring your account in this way will help you to easily oversee your advertising spend, determine the effectiveness of your ads, manage your ads and bids and switch off any ads that aren't working effectively.

## 11.4 The elements of a search ad

As of October 2016, Google phased out their basic text ads and replaced them with expanded text ads to reflect their more mobile friendly approach. These ads have the following format:

**Heading 1 – Heading 2**
One expanded line of descriptive advert copy, sometimes breaking over two lines depending on device size.
www.DisplayURL.com
Ad extension.

As you can see, these ads consist of several elements; the key is to make these work together harmoniously to get searchers to click through to your website. The three main components are:

- Keyword optimised ad text
- The link to your owned property (website, social media platform, content)
- Ad extensions.

### 11.4.1 Ad text

The ad text is the main component of a search ad. Search engines limit the characters in each line, though expanded text ads double that character limit in most cases. Google can sometimes show the headline and the first line of ad text in the same line, followed by the display URL and then the second line of ad text. There are also restrictions on what you are allowed to write in an advert. Here are some of the editorial guidelines from Google AdWords:

Expanded text ad character limits:

- **Headline part 1:** maximum of 30 characters
- **Headline part 2:** maximum of 30 characters
  (This will be shown after the first headline, usually separated by a hyphen and may wrap around to the second line for mobile)
- **Single description line:** maximum of 80 characters
- **Display URL:** domain name automatically extracted from your final URL
  (URL path can be customised using two field options with a 15 character limit each).

General guidelines:

- No repeated exclamation marks.
- No word may be written in capitals only.
- No nonsense words may be used.
- No claims of 'best', 'number one' or superlatives may be used unless they can be verified by a reliable third-party source.
- Product numbers may be used.
- No phone numbers allowed in the copy.

## Writing effective copy

For most PPC ads, the ad copy is the only tool available to attract attention, convey a message and entice action. This is why writing effective ad copy is such an important skill for search advertising.

Users who are searching for something usually have a specific intent; they are looking for information, guidance, comparisons, tools, or solutions to their problems. It's important to understand why users would look for your brand or product and what keywords they would use to find it when crafting your search ads. Look at the considerations for choosing keywords that are covered in the Search engine optimisation (SEO) chapter as these often overlap.

Use compelling and well-crafted calls to action so that users know what to do and what to expect: 'try now', 'sign up now', 'buy now'.

Many advertisers test offers in the advert copy, such as a discount or limited time voucher. Product or service benefits make for good advert copy, such as free shipping, secure shopping or fast delivery.

If you are running many ads at once, it can be quite a lot of work to create unique copy for each one. Dynamic keyword insertion (inserting the search keyword dynamically into the advert copy that appears) or using the keyword in the advert copy can help. Dynamic keyword insertion takes the keyword in your campaign that matches with the user search query and inserts it into the ad automatically. This way, your ad looks more relevant to the user than a generic ad. The search engine will mark words that match the search term in bold, making the advert stand out a little bit more.

The downside of using dynamic keyword insertion is that you have less control over when an ad is shown to a user and the results may not be as good as with a standard SEM campaign. The goal is to generate as many clicks as possible, but sometimes the advertiser is better off with fewer, high-quality clicks that are more likely to generate actual sales.

## The long tail

Internet Live Stats asserts that 16–20% of search queries on the web have never been asked before (Internet Live Stats, 2016). This means that the sum of searches that are unique is higher than the sum of non-unique searches. Looking a little more closely at search terms will show a small number of high-volume searches and then a large number of lower volume searches stretching out to those unique searches.
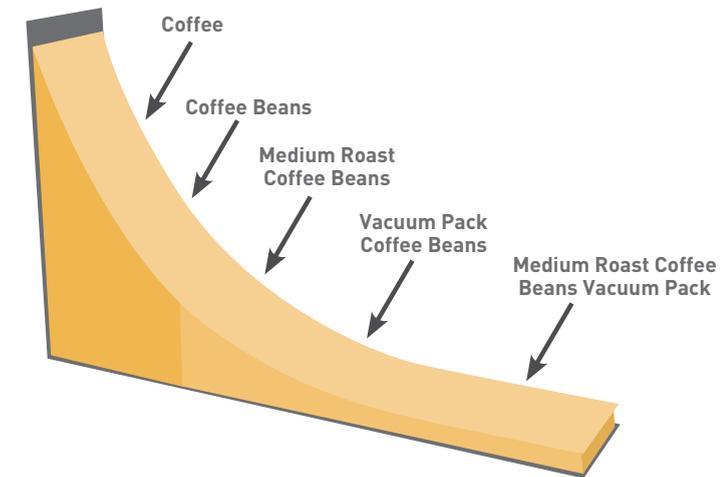
*Figure 3. An example of long tail keywords.*

This is sometimes referred to as the long tail of search. Discovering these low-volume, niche search terms can do wonders for a search advertising campaign.

Generally there is not much competition for these search terms and the search term itself is very much targeted, so it will likely be cheaper to bid on and may yield a high conversion rate. While long-tail phrases are generally cheaper and lead to a higher rate of conversions, you will need to use a much larger number of them to make up for the lower traffic volume that they generate.

Also consider that search engine users may be at various stages of the buying cycle and it could be worthwhile to craft a long-tail keyword strategy targeting those who are at the end of the buying cycle and know specifically what they are looking for.

For example, if you sell cameras, targeting the term 'camera' may not bring in much targeted traffic (since users searching for 'camera' may be looking for information, pictures, price comparisons, or even something completely unrelated). But users looking for 'buy Canon DSLR camera in London' has a clear intention in mind and could be a great target for advertising.

## 11.4.2 Display URL

Search ads allow you to include a display URL. The URL shown is not necessarily the URL that the user will click through to; the display URL (what is shown on the advert) actually directs to the destination URL (what the actual URL of the page is). The display URL is sometimes also called a vanity URL.

*Figure 4. A Google search advert with a clear display URL.*

The display URL must be the same domain as the destination URL and Google pulls this out automatically. Google will show only one advert per domain.

The page that the user is taken to is called the landing page, which can be any page on your website, not necessarily the home page. The aim should be to send users to a web page that is as specific to their search and the PPC advert, as possible. This is known as deep-linking.

## Landing pages

Search advertising is not just about creating adverts and bidding for keywords. The process continues once a user has clicked on your advert. The page that the user reaches by clicking on an advert is called a landing page and is either an existing page on your website, or a new custom-built page for the campaign at hand (useful if you are running a competition or special offer).
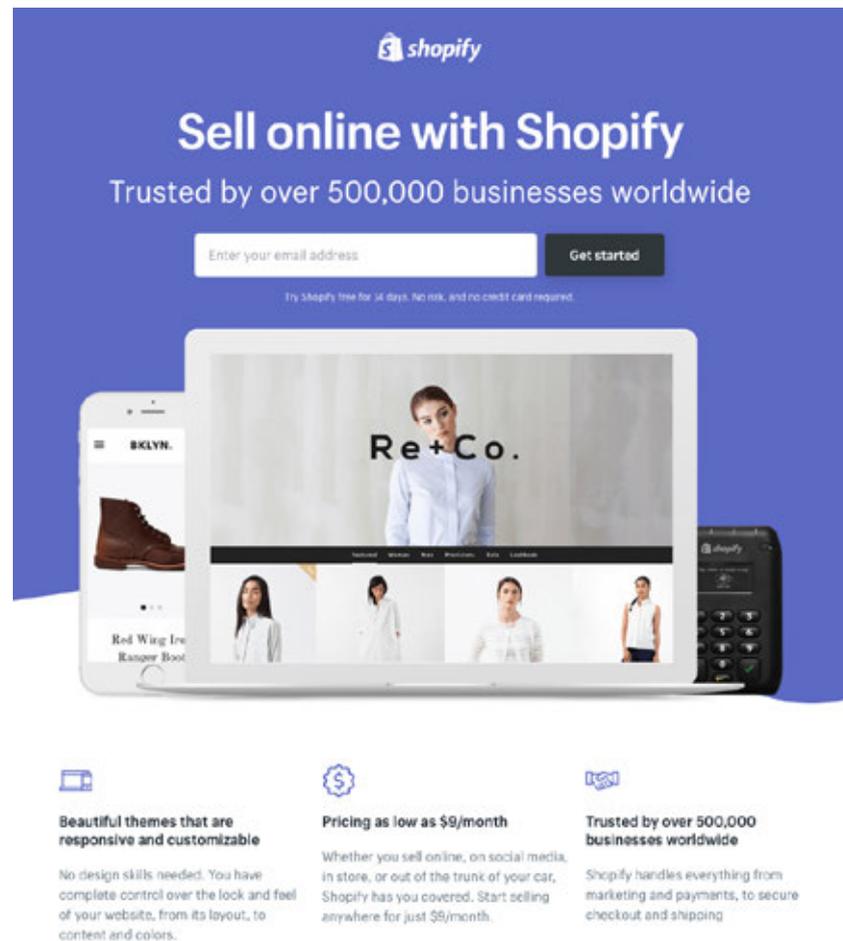


*Figure 5. The Shopify landing page.*

Landing pages can make or break an advertising campaign. Poorly executed PPC campaigns will send all users to the home page of a website. Campaigns that convert will make sure that users land on a page that is relevant to their search with a very visible call to action. The aim is to keep the user as focused on the goal, conversion, as possible. Sending users to the home page gives them too many other options to choose from.

> For example, if users searched for 'Canon EOS 1300D', a poorly run campaign would send them to www.canon.co.uk.
>
> A better campaign would have the user clicking through to www.canon.co.uk/for_home/product_finder/cameras/digital_slr/eos_1300d.

Landing pages also indicate relevance to the search engine, which can increase the Quality Score of the advert and in turn lower the cost per click (CPC) of the keyword. Adding keyword-rich pages to the website can also have SEO benefits. PPC campaigns often have thousands of keywords, which can mean that you will have a lot of landing pages to build. Creating dynamic landing pages means that with a simple script, unique keyword-rich landing pages can be created for every search. The script will take the keyword that the searcher has used and insert it in predefined places on the landing page. The user will then be landing on a page that is highly relevant to their search.

**NOTE**

Read more about this in the **Search engine optimisation (SEO)** chapter.

### 11.4.3 Ad extensions

Google offers several ways to add value or information to search adverts. These are referred to as ad extensions. For a search advertiser, the ad extensions offer a way to get additional information into a search advert without affecting standard advert copy limits.

**NOTE**

Google is constantly testing and adding new ad extensions so check in often to see what's new.

AdWords currently offers six manual extensions and four automated extensions, for a total of ten. Some of these will be more useful for mobile, such as the location-specific ones. The manual extensions are as follows:

1.  **Location extensions**
    Location extensions allow you to add location information and maps to your advert (you can add map pins, navigation assistance and a call option). To use the extensions, you can either insert your address manually or link your AdWords account to your Google+ Local (www.google.com/local) account.



*Figure 6. A location extension.*

2. Call extensions

The call extension allows you to display a local phone number in a line below the standard text advert. This is particularly effective in mobile ads, where the user can click and call directly from their phone.



*Figure 7. A call extension.*

3. App extensions

The app extension adds a link below your ad that sends users to the app store or begins a download of your app.
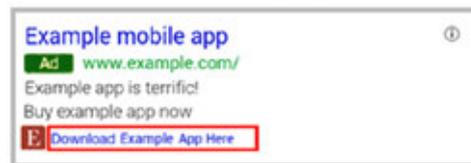


*Figure 8. An app extension.*

4. Review Extensions

This shows positive third party reviews, generally from trustworthy sources.



*Figure 9. A review extension.*

5. Sitelink extensions

Sitelinks add up to six extra links to pages on your site that might help users find what they're looking for. Sitelinks are limited to 25 characters for most languages. Sitelinks allow you to direct users to more relevant areas of your website, all from one advert. They are suitable for advertising on more general or branded keywords.



*Figure 10. Sitelink extensions.*

6. Callout extensions

These allow you to include additional text with your search ads, such as more information about your business, products and services.



*Figure 11. Callout extensions.*

The automated extensions are as follows:

7. Consumer ratings

This shows your best ratings below your search ads, with a link to more ratings; this is useful if you have very high ratings!



*Figure 12. A consumer rating.*

8. Previous visits

These let users know whether they've visited your site before and when. These are useful if users are trying to find their way back to your website or to encourage one-time customers to return.



*Figure 13. A previous visit extension.*

9. Dynamic structured snippets

Dynamic structured snippets automatically show additional landing page details, which helps searchers to determine whether your site contains the kind of information they're looking for. This information comes from content on your site.



*Figure 14. A dynamic structured snippet.*

10. Seller ratings

These show online business ratings with your ad, showing what kind of reputation you have for good service. The seller ratings come from reputable sources that compile a number of business reviews to help users make more informed decisions and to help your ad perform better.



*Figure 15. Seller ratings.*

## Message extensions

At the end of October 2016, Google announced message extensions, which give users the change to click to text a business straight from the search engine results page. Advertisers can include a pre-written text message to make things easier for mobile users. Tests on these extensions have shown that they significantly improve mobile clickthrough rates but they cannot currently be tracked as conversions in AdWords.

## 11.5 Targeting options

Search adverts are targeted in a variety of ways, depending on how you want to reach your intended audience. Targeting your adverts means you know that the traffic you are getting is relevant to your product.

### 11.5.1 Keywords and match types

It's not enough to simply pick the right keywords; you need to know about the different ways in which the search engine interprets and matches the search term to your chosen keyword.

Most search engines require the advertiser to provide the search keywords for which their advert should appear.

Considering the massive volume of searches conducted every day, it would be impossible to determine all the possible terms potential customers might use to find you. That is why there are different keyword match types for search advertising.

Google AdWords using the following match types:

- Broad match
- Broad match modifier
- Phrase match
- Exact match
- Negative match.

**Broad match** means that your advert will appear for the keywords you have entered, as well as search terms that contain your keywords and any other words in any order, as well as some variations of your keywords such as misspellings and synonyms.

The **broad match modifier** is an additional targeting option that gives you tighter control than broad match by excluding synonyms but including other versions of the word, such as plurals. It's implemented with a + before the keyword.

**Phrase match**, which is denoted with quotation marks around the keywords; 'phrase match' means that your advert will appear only for search terms that have your keywords in them, in the same order, though other words may also be in the search term.

**Exact match**, denoted by square brackets [exact match] means that the advert will appear for search terms only exactly the same as the keywords selected.

**Negative match**, denoted by using a dash in front of the keywords; –negative means that your advert will not appear in searches using that word, no matter what other words are used.

Advertisers can assign as many keywords as they want to an advert, but only one advert for each URL will be shown. If two advertisers are bidding to show adverts for the same domain, only one will be shown. Which advert will be shown is based on the bids being placed and on the quality of the adverts (more on that later).

### 11.5.2 Language and location targeting

Search engines have versions customised for specific regions and languages, based on the user's settings and where in the world they are searching from. As a search marketer, you can choose the language and the location of the search engine to target. This is known as geo-targeting.

For example, you may want your advert to show only to English searches in Asia, or to French searches in Johannesburg. Targeting your advert means that your ads won't be seen by users outside your target area and you won't pay for traffic that you cannot convert into customers.

### 11.5.3 Behavioural and demographic targeting

Search advertising can also be targeted based on personal behaviour. Using AdWords, you can re-target visitors who came to your site via an AdWords advert based on actions that they took. This means that if users came to your site, but did not complete a purchase, you can target adverts to them in the SERPs or through other online advertising channels, such as the Google Display Network. This is called re-marketing or re-targeting and can be very effective for remaining top of mind until the user is ready to convert. It is usually advisable to cap the number of times a re-marketing ad is shown to an individual to avoid annoying them.

## 11.6 Bidding and ranking for search ads

As you know, search adverts are charged on a per-click basis. The cost that you pay for every click is determined by a variety of factors and is based on a bidding system.

The different advertising platforms offer advanced bidding options, all aimed at helping you to run your advertising campaign better. You can bid for placement on the SERP, or you can bid based on how much you are willing to pay per click. You are also able to tailor your approach to, for example, bidding for adverts during certain times of the day only.

Search advertising is usually run as a Vickrey auction model, so advertisers place bids to appear based on certain criteria. The advertising platform determines when adverts are eligible to appear and serves them as is appropriate. The advertiser then pays the advertising platform when their advert is clicked on.

| Advertiser | Bid price | CPC |
|---|---|---|
| A2 | $3.00 | $2.51 |
| A1 | $2.50 | $2.36 |
| A3 | $2.35 | $2.06 |

*Figure 16. Three advertisers bidding on the same key phrase.*

With search advertising, the advertiser:

- Creates the copy for an advertisement.
- Determines the landing page for the advert.
- Selects the keywords or criteria for which that advertisement should appear.
- Chooses the maximum amount, the cost per click (CPC), that they are willing to pay for a click on the advert.

The advertising platform:

- Checks the advert for compliance with editorial guidelines.
- Displays the advert for relevant search queries or other criteria.
- Determines the rank of the advert based on the advertiser's maximum bid and the relevance of the advert (which includes factors such as clickthrough rate, ad copy, keyword and landing page relevance).

In Google AdWords, as well as deciding on your CPC bids for your keywords, you are able to set budgets for your campaign. You can set daily budgets, monthly budgets, or no budget. Once your total is reached, your adverts no longer run, so you can be sure that you never overspend. If you are concerned about overspending, you can set a daily budget. However, this can mean that your adverts do not run as often as you may like them to.

## 11.6.1 Conversion and clickthrough rates

Search engines look at factors such as relevancy to try to ensure that it is not just advertisers with deep pockets that can land the top ad listing. Search engines need to ensure that users find the adverts relevant, otherwise they'll be less likely to click on them and no click means no revenue for the search engine.

Studies repeatedly show that those adverts nearer the top of the page attract the highest clickthrough rates (CTRs) (Smart Insights, 2016). Competition for these top spots can be fierce and the cost per click can be very high.

Ads at the top of a page generally have the following qualities:

- They are very relevant to a user's search query.
- They consistently perform well, with high CTRs over time.
- The CPC bid is competitive and outbids other ads of the same quality. (Google AdWords, n.d.)
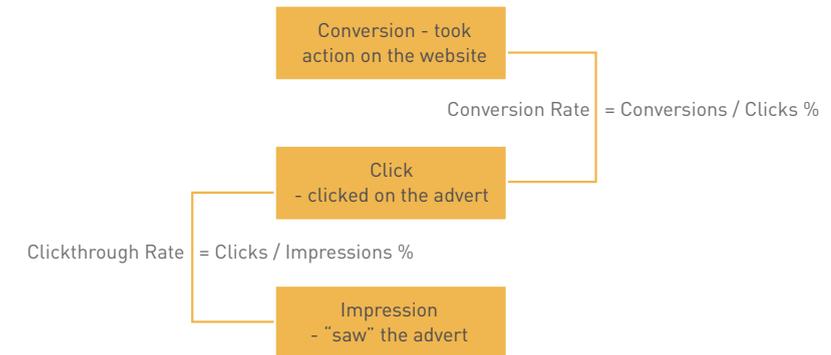


*Figure 17. An image illustrating clickthrough and conversion rates.*

## 11.6.2 The bidding process

Advertisers need to determine the maximum they are willing to pay for a click on their advert and they need to decide this for each keyword they enter for an advert.

This bid is the maximum cost per click (max CPC).

However, this will not necessarily be the CPC that the advertiser must pay for a click. Every time a search query is entered, the search engine runs an auction to determine the placement of the adverts where advertisers have bid on that search term. This auction is known as a generalised second price (GSP) auction, which is a variation on the Vickrey auction.

In the GSP auction, each advertiser will pay the bid of the advertiser below him, plus a standard increment (typically US $0.01), for a click on their advert.

Say three advertisers, A1, A2 and A3, bid US $2.50, US $3.00 and US $2.35 respectively on the same keyword. The search engine has set a minimum price of US $2.05 on that same keyword. Here is how the adverts would be positioned and what they would each pay for a click:

| Advertiser | Bid price | CPC |
|---|---|---|
| A2 | $3.00 | $2.51 |
| A1 | $2.50 | $2.36 |
| A3 | $2.35 | $2.06 |

*Figure 18. GSP payments per click.*

## 116.3 AdWords Quality Score

When it comes to ranking, of course, it's not quite as simple as that (it rarely is!).

As well as the bid an advertiser places on a keyword, the search engine will take a number of other factors into account. In the case of Google AdWords, this is known as Quality Score. Quality Score is applied on keyword, ad group and account level. It is important that your entire account has a good Quality Score, as it affects ranking and the cost per click.

The Quality Score is determined by, among other factors:

- The relevance of the keyword to the search term
- The relevance of the advert copy to the search term
- The relevance of the landing page to the search term
- The historic CTR of that advert.

Quality Score is ranked as follows:

**Great (8, 9, 10):** Keyword is very relevant and QS needs no improvement.

**OK (5, 6, 7):** Keyword is relevant, but can still benefit from a higher QS.

**Poor (1, 2, 3, 4):** This keyword isn't very relevant and QS needs improvement.

Another way to think of the Quality Score is as a discount that is applied to your campaign. For instance, an advert with a great Quality Score can achieve a top position at a lower bid than a competing ad with a poor Quality Score. For example, an advertiser with a Quality Score of 5 will have to pay twice as much for a certain position as an advertiser with a Quality Score of 10.

## 11.7 Tracking

In order to report on campaigns all the way through to conversion, you need to use appropriate conversion tracking. Conversion tracking is usually accomplished with a small tracking pixel that is placed on the conversion confirmation page of the website.

Google AdWords offers conversion tracking tags, which will allow you to report on AdWords campaigns from impression through to conversion. The AdWords interface provides a wide range of useful reports.

In order to track many other networks, however, third-party tracking needs to be used. Most ad serving technology will also enable pay-per-click tracking, usually at a nominal additional cost per click. If you are running display campaigns through these networks as well, this has the benefit of reporting on how the campaigns might influence each other.

If you are sending traffic to a website that uses Google Analytics, you can use campaign tracking to track and report on campaigns that are driving traffic to the site. You can link your AdWords and Analytics accounts to share information across these platforms, such as the cost paid per click in Google Analytics and some basic analytics information in AdWords.

## 11.8 Implementing a search advertising campaign

### 11.8.1. Do your homework

For a successful campaign, you need a full online and offline analysis of the business, customer demographics, industry and competitors. While it is relatively quick to set up a campaign, pre-planning will show dividends later. You need a brand, an identity and a clear, unique selling point. You get only three lines to advertise, so you need to make sure you know what must be included and how to make the most impact.

### 11.8.2. Define your goals

You need to know what you want to achieve with your search advertising campaign.

Branding campaigns, for example, are very different from campaigns to increase sales. What do you want users to do once they click on your advert?

### 11.8.3. Budget, cost per action (CPA) and targets

Determine how much you are willing to spend to achieve your goal, your target CPA. Decide how much budget you are going to allocate to your search advertising campaign. If your goal is to increase revenue, your budget may be unlimited as long as revenue is increasing and you are within your target CPA.

### 11.8.4. Keyword research

You need to determine what keywords potential customers are likely to use when searching for the service that you offer. Along with that, you need to know:

- What common misspellings or typos a customer might use.
- What words would show that they are not likely to purchase from you, such as 'free' and 'cheap'.
- As part of your keyword research, you need to look at expected volumes for your keywords, so that you know how to bid. There are also tools that will show you similar or related keywords, so you can expand your keyword list even further. See the Tools of the trade section (below) for some suggestions.

### 11.8.5. Write the adverts

Using your keyword research, write compelling adverts to promote your products. Adverts can be unique to one keyword, or you can group them and have a number of keywords for one advert.

Make sure you use an appropriate display URL and that you target the landing page for each advert.

### 11.8.6. Place your bids

Based on your goals and keyword research, set the maximum bids for your keywords. Don't set these too high at this stage as you'll tweak the bids as you test your campaign. That being said, don't make them too low either, or you won't get much traffic and it could affect your Quality Score. Test your ad to find the right balance in line with your goals. AdWords also provides tools that can help to guide your decisions.

### 11.8.7. Tracking

Get your tracking tags in place, especially any conversion tracking tags.

### 11.8.8. Measure, analyse, test, optimise!

With tracking in place, you can analyse your ROI down to a keyword level and then focus your campaign and budget on the keywords that are converting best.

Consider how changing the text, image or video of your advert could increase the CTR, or your conversion rate. Test different landing pages to see what converts better.

Test the networks too. Your Bing campaign may perform better than Google, or your Facebook account may drive cheaper traffic. Always keep your goals in mind and work, work, work to achieve them.

## 11.9 Advantages and challenges

There are many reasons why search advertising can be an excellent addition to any digital marketing strategy:

- No to low cost barrier
  You pay only for traffic, there are usually no setup fees involved and all the tools you need to start out with can be accessed for free.

- Tracking every cent
  Search advertising allows you to track your advertising spend down to a keyword level, so you can learn what works and what doesn't on a micro scale.

- Targeted advert placement
  You can make your advertising relevant by using filters, targeting your ads to specific users, or even in the way you use keywords and match types.

- You're giving your customers what they want
  Search advertising lets you put your advert in front of users who are searching for your product. It lets you provide a solution, as opposed to creating an interruption.

Search advertising campaigns are quick to set up, can provide high volumes of traffic and are highly trackable. But there are some pitfalls that you should be aware of.

### Click fraud

Click fraud occurs when your advert is clicked on by users who are not legitimate potential customers. Because an advertiser has to pay for every click, sometimes unscrupulous competitors can click on the advert to force the payment. There are even automated bots that can click on adverts, costing advertisers millions.

Search engines have taken measures to combat this and click fraud is no longer widely prevalent. Advertisers can report suspected click fraud and the search engines will refund invalid or fraudulent clicks after investigation.

What can you do? Keep an eye on your campaign. Any sudden leap in CTR should be investigated and you should pay particular attention to see if the conversion rate

drops, which would indicate potential fraud. Pause the campaign if you suspect fraud and alert the search engine.

### Bidding wars and climbing CPCs

High-traffic keywords are expensive and the battle to stay on top means that the CPC of these keywords is escalating. Convincing yourself that it's number one or nothing can result in burning through your campaign budget quickly with nothing to show for it.

Keep focused on your campaign goals and ROI and keep investigating to find less expensive niche keywords that work for you.

### Keeping an eye on things

Search advertising campaigns require a lot of monitoring and the bigger your campaign gets the more time this takes. Search advertising can provide a fantastic ROI, but you need to check in and tweak regularly to make sure that it continues to perform for you.

## 11.10 Measuring success

How do you know if a campaign is performing well? You may think that more clicks are better, but is this necessarily the case? Being in the top position means that you may pay more per click. When your advertising budget is limited, it is often more cost effective not to bid too much for your keywords and to occupy the lower ad positions. Because you'll pay less per click, you can achieve more clicks and potential customers, for your limited search advertising budget.

Advertisers need to consider what users do after clicking through to the advertiser's website from the search engine. When planning a search advertising campaign, it is crucial to set the goals of the campaign upfront and make sure that these are attainable. With a goal set up, the advertiser can track how many of the users that clickthrough to the website follow through to that goal. This is called a conversion.

Goals could be:

- Buying a product
- Filling in a form or quote
- Downloading a white paper
- Sending an enquiry
- Booking a flight.

We know that the CTR of an advert is the number of clicks out of the total impressions. The conversion rate of an advert is conversions divided by clicks. The cost per action, or the cost per each conversion, is the total cost of the campaign, divided by the number of conversions. The average cost per click is the total cost of the campaign divided by the number of clicks.

As the advertiser, you also need to know the value of each conversion. If the value of a conversion is less than the cost of achieving it, you effectively lose money with every conversion. Knowing the value to your business of a conversion will enable you to run search advertising campaigns profitably.

| | Impressions | Clicks | CPC | Total Cost | CTR | Conversions | Conversion Rate | CPA |
|---|---|---|---|---|---|---|---|---|
| **A** | 1134 | 55 | $ 0.89 | $ 48.95 | 5% | 5 | 9% | $ 9.79 |
| **B** | 1134 | 123 | $ 1.36 | $ 167.28 | 11% | 11 | 9% | $ 15.21 |
| **C** | 2256 | 225 | $ 0.89 | $ 200.25 | 10% | 11 | 5% | $ 18.20 |

*Figure 19. Adjusting bidding strategies based on business principles.*

You also want to look at your share of voice, which is your brand's share of the total advertising exposures for that sector or product type. This helps you measure how visible you are during your campaign.

## 11.11 Tools of the trade

The foundation of search marketing is keyword research and there are a number of tools that will help you grow your keyword list and also to determine keyword volumes. Some are free and some require payment. All these tools should be used as guidelines only. They usually provide trends and estimates rather than specific values. Test the data with your own campaigns to determine what works best for you.

### Ad management tools

- Google AdWords Editor: www.google.com/intl/en/adwordseditor

### Keyword volume tools

- tools.seobook.com/general/keyword

### Keyword suggestion tools

- adwords.google.com/keywordplanner (free account required)
- www.keyworddiscovery.com/search.html
- tools.seobook.com/keyword-tools/seobook

Google AdWords has an Ad Preview Tool, which allows you to see whether your advert is appearing on the page without using the search engine and thereby skewing quality score data. This can be accessed at adwords.google.com/select/AdTargetingPreviewTool.

Some paid services that aid with keyword research are:

- www.wordtracker.com
- www.advancedwebranking.com
- Also consider other ways to research your industry and brand, for example, Google Trends (google.com/trends) can show keyword search volume over time.

Spreadsheets, such as Microsoft's Excel, are useful to aid you in building your keyword lists. Getting to grips with functions such as Concatenate and Vlookup will be useful.

## 11.12 Case study – Frooition

### 11.12.1 One-line summary

Frooition, a web design firm, increased conversions and cut costs by optimising its PPC and SEO campaigns.

### 11.12.2 The challenge

Frooition proves creative services and apps for more than a quarter of a million customers around the world. They wanted to overhaul their SEO and PPC efforts so that they could maintain their current levels of sales conversions while simultaneously reducing their marketing budget.

### 11.12.3 The solution

They partnered with Vertical Leap to change their SEO and PPC campaigns. Their solution operated on several levels:

- They found that eBay was limiting exposure of Frooition ads and requested removal of the restriction placed on the ads.
- They restructured the entire account using historical data so that they could better focus budget. Keywords that didn't work well were removed and keyword match types were refined to better targeted search terms.
- They wrote new ad copy to match the new structure of the account and improve the keyword quality score.
- They adjusted the ad schedule so that high-performing hours of the day were targeted.
- They created new ad extensions to highlight USPs and improve clickthrough rates.

### 11.12.4 Results

Because of the removal of poorly performing keywords and refining of targeting, they decreased the number of impressions by 33% and reduced overall spend by 65%.

The quality score improved dramatically and cost per click was reduced by 52%.

The changes to ad copy and ad extensions, along with the targeting, increased the clickthrough rate and conversions were up as well.

In summary:

- Cost per conversion dropped by 70%
- Total conversions increased by 21%
- Conversion rate went up by 65%
- Overall costs dropped by 65%
- Clickthrough rate increased by 69% (Digital Training Academy, 2016).

By using data and actionable insights carefully, this Frooition and Vertical Leap radically improved the PPC campaign.

## 11.13 The bigger picture

Search advertising and search engine optimisation (SEO) should go hand in hand to create an effective search engine marketing strategy. The greater the part of the search results page that you own, the better.
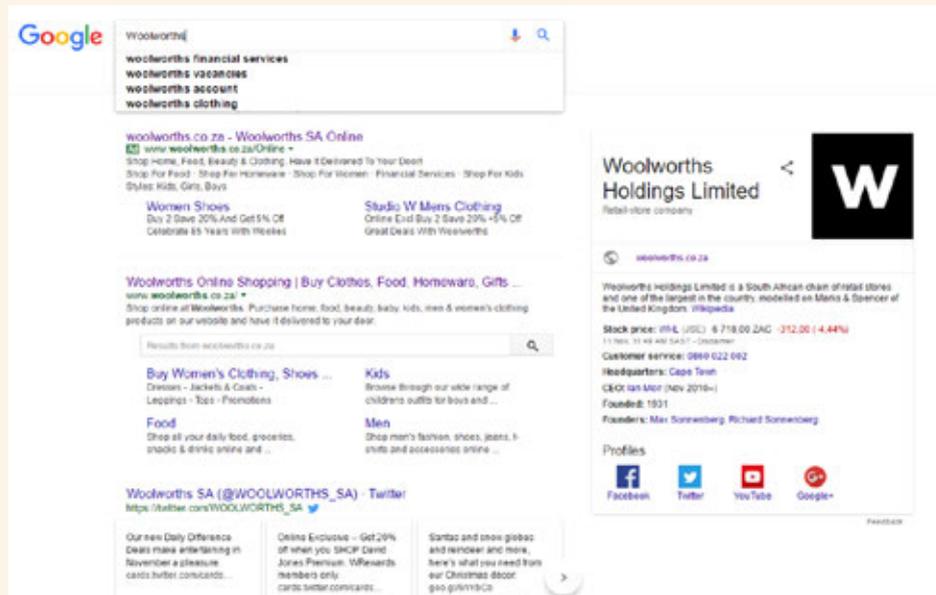


*Figure 20. Brand search ads and organic results appearing together.*

Search advertising is an excellent source of keywords and conversions. This insight can be used to improve the SEO of a site, as you will already know the relevance of these keywords to your intended audience. In turn, improved SEO rankings and social media interactions can help to reduce the CPC of your search advertising campaign, improve your Quality Score and raise your CTRs throughout.

Search advertising can also help to give your brand immediate search engine presence for your offline campaigns, when these might not yet be highly ranked in the natural search results. Search advertising can also be used together with online crisis management. If a company is unable to combat negative search results through the natural rankings, they are always able to bid for search adverts that can present their view.

Having a firm grasp of search advertising on search engines will provide a good foundation for running digital advertising campaigns across other networks and ad types.

## 11.14 Summary

Search advertising is advertising on the results pages of search engines where an advertiser typically pays for each click on an advert. These adverts consist of text, links and Ad Extensions. They are listed above and alongside the organic search results and are marked as adverts so that users are aware that these are paid-for listings.

Search advertising is targeted according to keywords, demographics, behaviour or interest. On search engines, the CPC is determined by an auction.

The success of an advert may be determined by its CTR, but the success of a campaign will be determined by its conversion rate and its ability to achieve a target CPA. After all, it's not enough for users just to click on your adverts, you want them to take specific actions on your site once they get there.

## 11.15 Case study questions

1. Why was this campaign trying to reduce the number of impressions?
2. Which aspects of best practice worked together here to achieve the desired effect?

## 11.16 Chapter questions

1. Why would competitors commit click fraud?
2. When should you use certain search types for AdWords and why would this matter? How does it affect the number of conversions?
3. Why should one use relevant landing pages when running a search advertising campaign and how does this affect the number of conversions?

## 11.17 Further reading

www.ppchero.com – This website contains practical step-by-step guides to improving your search campaigns and provides regular posts on all things search marketing.

www.searchengineland.com – This blog covers not only search advertising, but the entire spectrum of search engine marketing, providing useful insights for all your search activities.

support.google.com/adwords/?hl=en – This is where you can find information related to Google AdWords and other search advertising concepts.

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## 11.19 Figure acknowledgments

**Figure 1.** Screenshot, Google, 2017.

**Figure 2.** Adapted form Google, 2008. www.adwordsrobot.com/en/free/ebook/a-guide-to-building-successful-adwordscampaigns---google.

**Figure 3.** Stokes, 2013.

**Figure 4.** Screenshot, Google, 2017.

**Figure 5.** Screenshot, Shopify, 2017.

**Figure 6.** Screenshot, Google, 2017.

**Figure 7.** Screenshot, Google, 2017.

**Figure 8.** Screenshot, Google, 2017.

**Figure 9.** Screenshot, Google, 2017.

**Figure 10.** Screenshot, Google, 2017.

**Figure 11.** Screenshot, Google, 2017.

**Figure 12.** Screenshot, Google, 2017.

**Figure 13**. Screenshot, Google, 2017.

**Figure 14.** Screenshot, Google, 2017.

**Figure 15.** Screenshot, Google, 2017.

**Figure 16.** Stokes, 2013.

**Figure 17.** Stokes, 2013.

**Figure 18.** Stokes, 2013.

**Figure 19.** Stokes, 2013.

**Figure 20.** Screenshot, Google 31 January 2018.