# Wordtracker Masterclass:
# Google AdWords PPC Advertising

*Step-by-step guide to profitable pay per click campaigns*

by Ian Howie

**W** Wordtracker

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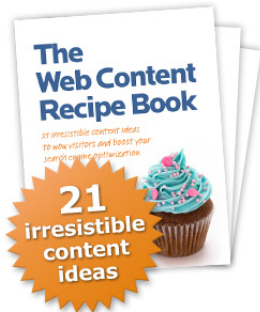
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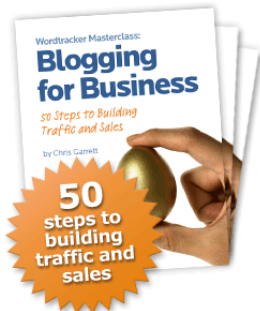
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# Why you need to read this book

Google AdWords is the most powerful marketing tool to appear in the last 10 years. So powerful it drove Google's annual revenue to $22 billion in 2008.

AdWords allows advertisers to place their ads onto Google search results pages within an hour of opening an account. So you can quickly use its power to sell your products and services to the world.

But this is all sounding too easy, isn't it? And of course fools like to rush in and they soon part with their money. So this book gives you a proven, careful and detailed process you can follow to maximize your chances of being both wiser and richer.

Those who use Google AdWords can be loosely categorized into three distinctive personality types: Creatives, Traders and Technicians.

• **Creatives** love the freedom that Google AdWords gives them to create new ad text and target new keywords. Creatives are great at thinking of new ways of getting more from AdWords for less.

• **Traders** treat AdWords as an auction system – which it is – and they love nothing better than out-bidding the competition and getting the cost of their clicks down.

• **Technicians** love to sit back and look at the details of their AdWords campaigns. They find joy in spotting something to tweak, are masters of structure and know how each little bit works.

These different personality types relate to how people use Google AdWords. I've met people who are Creatives in real life but their AdWords persona is that of a Technician; and real life Traders who act like Creatives.

Myself, I've been using Google AdWords since 2003 and have worked on many large and small accounts. I started out as a Creative who would make too many changes far too quickly. Then thanks to some patient Google people in Dublin, Mountain View and San Francisco, and some insights from the Wordtracker team, I've learned the disciplines of the Trader and the Technician.
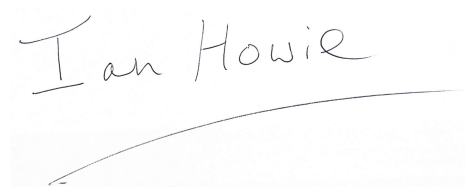
The aim of this book is to show you how to combine all three sets of skills to become an expert Creative, Trader and Technician. In this book you'll learn the:

• **Creative's** skills of matching keywords and ad copy (chapter 5) and using the freedom the content network brings (chapter 8).

• **Trader's** skills of mastering different keyword match types (chapter 3) and keyword bidding (chapter 3).

• **Technician's** skills in keyword research (chapter 4), using the rules of optimization (chapter 7) and structuring campaigns (chapter 6).

The result will be that you can start with a business idea, research it, then plan and set up an AdWords campaign. Crucially you'll find out how to optimize your campaign so that you only invest in areas where you're making money (and where you can make more), and stop wasting cash where you are not.

I hope your journey into AdWords is enjoyable and profitable. If you have any questions or want to discuss anything raised in this book then visit the comments page and I or a colleague will answer.

Yours

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# The Power of Pay Per Click

## Chapter 1

This chapter starts with the inspiring story of how Mike Herberts used Google AdWords pay per click advertising to build a successful online business teaching people how to play the guitar.

I'll then introduce you to some AdWords basics, including what an AdWords ad is, how PPC advertising is a process and some important terms that you'll need to learn.

## 1. Mike Herberts' pay per click success story

**"They all laughed as I was handed that old guitar … now I make my living from teaching thousands of people to play."**

Mike Herberts is living the dream. He has an international, recession-proof business – yet only needs to work four hours a week or less on it. Oh, and Mike is not a whizz kid out of university – he is a 50-something British guy – who has built a business that virtually runs itself.

Mike's '321 Guitar' and '6-String-Videos' websites provide free acoustic guitar lesson videos in return for an email address. The free lessons are full of useful details and they prove to viewers that Mike can teach them how to play guitar. They establish trust. Having built that relationship, Mike then sells DVDs and downloadable lessons.

How did Mike build this business?

Mike used Google AdWords to achieve his success and this book will show you how you can do the same for your business.

## 2. Google AdWords

Mike Herberts achieved his success using Google's AdWords pay per click (PPC) service. When someone interested in learning to play guitar searches on Google for 'Acoustic Guitar lessons' they might see Mike's advert, like this one:



Mike only pays for his advert if someone clicks on it, hence: pay per click. And he must bid for the search phrases (keywords) that he wants his ad to appear for. The more he bids the more chance he has of his ad being seen.

In the grab on the next page you can see where Mike's ad appears on a Google search results page. The ad is one of many 'paid' (AdWords) search results. See how Google labels them 'Sponsored Links'.
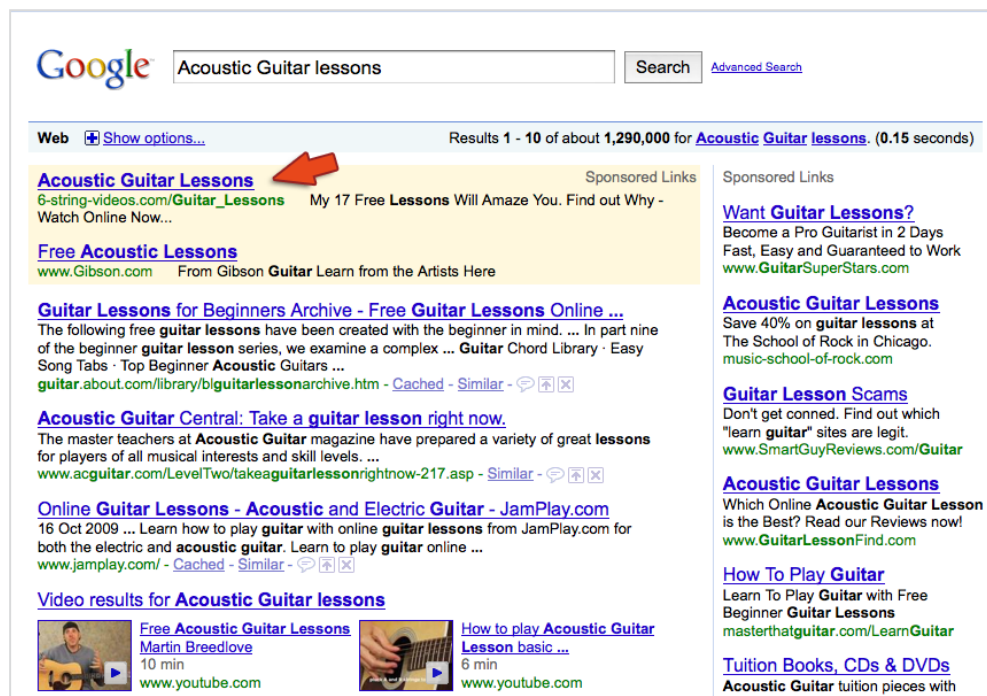
The image below is from the same Google results page but I've highlighted (with red borders) the search query and Mike's ad's headline.
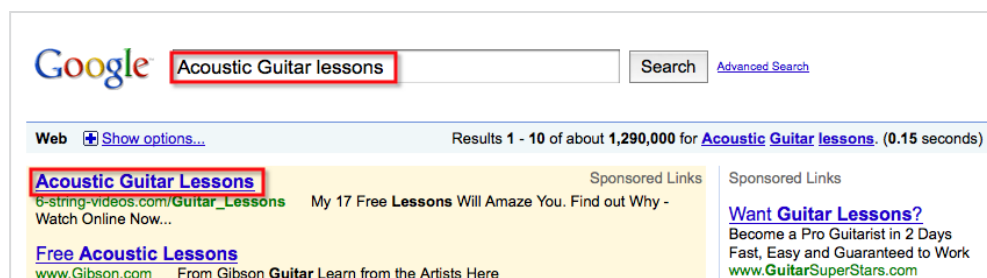


Notice that the words in the headline are the same as the original search query - the ad is relevant. We (and Google) will regularly return to this theme of relevance.

**One of the secrets to successful Google Adwords campaigns is making your ad copy as relevant to the search query as possible.**

Other companies offer a pay per click advertising service, but Google AdWords is by far the most popular.

Mike's ads and results come from a considered, well-planned and managed campaign. Next, we'll introduce the major stages to building such an AdWords campaign.

## 3. The 7 stages of a successful AdWords campaign

AdWords can be broken down into the seven stages shown in the following image:



Let's have a brief look at each of those stages...

**1. Research:** Mike researched his market and found that many people were posting videos on the internet about playing guitar, but they were being taken down quickly when relevant record companies found them. So Mike went to the record companies first and asked how much the rights would be.

**2. Keyword research:** Mike then did some keyword research (see chapter 4) and found out which songs were being searched for most by those who wanted to learn to play guitar. He also found out how much it would cost to bid for pay per click adverts on relevant searches (keywords). Then he went back to the record companies and paid for the rights to the songs he knew would be the cheapest to bid on.

**3. Build your pay per click campaigns:** Mike then built his AdWords Campaigns (see chapter 6). Groups of related keywords were put into ad groups. Each keyword was given an opening bid, and copy was written for adverts for each ad group. Multiple ads were created and tested (split tested) for each ad group.

**4. Landing pages:** Next Mike built his landing pages. A landing page is the first page people see after they click the ad text on your AdWords ads.

**5. Tracking, measuring and reporting:** Impressions (how often your ads appear), clickthrough rate (how often your ads are clicked on), response rates (how often people respond to your site's offers) are all measured and monitored for your different keywords, ad groups and ads.

**6. Campaign optimization:** The work of a good online AdWords campaign is never done. Using that monitoring data, keywords, ads and landing pages can be constantly refined and improved upon (see chapter 7).

**7. Keep on going!** Keep what is working – improve or lose what isn't working and move on to the next campaign.

# 4. The benefits of PPC

Pay per click advertising has made other forms of online advertising, such as CPM (Cost Per 1000 impressions), banners and classified ads, pale in comparison. While they still have their place it is possible to spend money on these types of adverts and not see a single response in exchange.

Pay per click advertising is different. Your ad could be seen thousands of times by plenty of different people, but unless someone actually clicks on your advert you won't pay a cent for the privilege. In truth, AdWords advertising is heralding a whole new age of cost-effective online advertising.

**With AdWords PPC advertising you only pay if someone clicks on your ad. With normal offline advertising you have to pay for people to see your ad whether or not they respond.**

Mike Herberts is using AdWords for the following reasons:

• **Flexible** - AdWords is  flexible. If Mike has a new piece of content an ad can go up today – with organic SEO he may have to wait some time before he is listed on the first page of Google results.

• **Control over location** - Mike can control the locations (countries, cities and even postcodes) and when (e.g. what time of day) his ads appear in relation to the keywords and sites he chooses. With organic SEO this is possible, but it is a lot of work and certainly not possible to choose a time!

• **Multiple formats** - with pay per click he can advertise on sites in many formats on the Google content network – this is normally faster and cheaper than going to each site individually.

• **Long tail keywords** - most importantly, Mike can target 'long tail' keywords – three or four word keywords – these can be much harder to target with organic SEO. For instance *guitar* is a short tail keyword, *learn guitar* a mid tail keyword and *learn guitar online* is long tail. You can see that the words *learn* and *online* refine the search query which means Mike can deliver highly targeted ad copy.

## 5. The content network

You can also use AdWords to advertise on Google's content network – a collection of websites on which Google AdWords ads are displayed.

The content network can be used to display banner ads, video ads and text ads - all on a similar pay per click basis. The image on the next page shows one of Mike's ads on a content network site.

## 6. Some important terms in AdWords

With Google AdWords you can bid for the keywords searchers use on Google and then pay for each click on your adverts. In other words, you pay per click.

The amount you pay per click is called your Cost Per Click (CPC). You can see 'CPC' (more accurately 'Avg. CPC' or average 'CPC') on the AdWords report below:

| Clicks | Impr. | CTR ? | Avg. CPC ? | Cost | Avg. Pos. | Conv. (1-per-click) ? | Cost / conv. (1-per-click) ? | Conv. rate (1-per-click) ? |
|---|---|---|---|---|---|---|---|---|
| 34 | 1,208 | 2.81% | £0.81 | £27.69 | 3.5 | 1 | £27.69 | 2.94% |

To help with the rest of the book I'll explain some more of the terms in that report ...

**Clicks** is the number of times a keyword's ads have been clicked on.

**Impr.** (Impressions) is the number of times a keyword's ads has been displayed.

**CTR** (clickthrough rate) is the % of a keyword's ads impressions that result in a click. If a keyword achieves a higher than 1% CTR then Google will improve that keyword's ads' positions and reduce the amount you pay per click.

**Avg. CPC** (average cost per click) is the average cost of all of a keyword's or ad group's clicks.

**Cost** is the total cost of clicks.

**Avg. Pos** (average position) is the average position your ads are displayed in on the Google search results pages. The ad shown at the top of page one of Google search results is position 1.

**Conv. (1-per-click)** (conversions) is the number of clicks that result in a conversion (no more than one conversion per click). You must define your own site's conversions, e.g. a sale or an email sign-up.

**Cost/conv. (1-per-click)** is the average cost of all conversions (1-per-click), i.e. Cost/conv. (1-per-click).

**Conv. rate (1-per-click)** is the % of clicks that convert, i.e. conversions (1-per-click) divided by clicks.

You'll have many new terms to learn throughout the book, and understanding them will help bring out the Technician in you.

## Summary

If Mike Herberts had to compete offline against big corporate companies then he would struggle. But by mastering the processes given in this book he has beaten all comers.

You can use the same methods to compete against anyone.

Indeed smaller business can normally perform better at PPC advertising than their large competitors because they are closer to their products and services and their AdWords campaigns. This allows them to spot the need for campaign (and product) changes and act fast.

In the next chapter we'll explain the essential Google AdWords concepts you need to understand if you are to be similarly agile.

If you have any questions or want to discuss anything raised in this book then visit the comments page and I or a colleague will answer.