
Introduction to Keyword-Targeted Advertising

Learning Objectives

After completing this topic, students will be able to:

- Define keyword-targeted advertising
- Explain where keyword-targeted ads are shown
- Define contextually targeted advertising
- Describe the characteristics of good keywords and text ads

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After completing this topic, you will be able to:

- Define industry terms such as cost-per-click and Clickthrough Rate
- Explain Google's ad distribution network and its benefits
- Explain language and location targeting, and its benefits to you

Why You Should Learn About Keyword-Targeted Advertising

- Keyword advertising has proven highly effective at reaching customers search for your product or service
- It's easy to learn to use it
- You can reach a global audience
- Your small business can compete with Fortune 500 companies
- You can start immediately: ads can be running in 15 minutes
- Choose as small or large a budget as you want, and change your budget anytime
- Make changes to your ads anytime

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Search-engine advertising, also know as keyword-targeted advertising, has proven to be one of the most effective methods of connecting with customers. And it's exceptionally powerful because it gives the smallest business the ability to compete with the largest brands on a global scale.

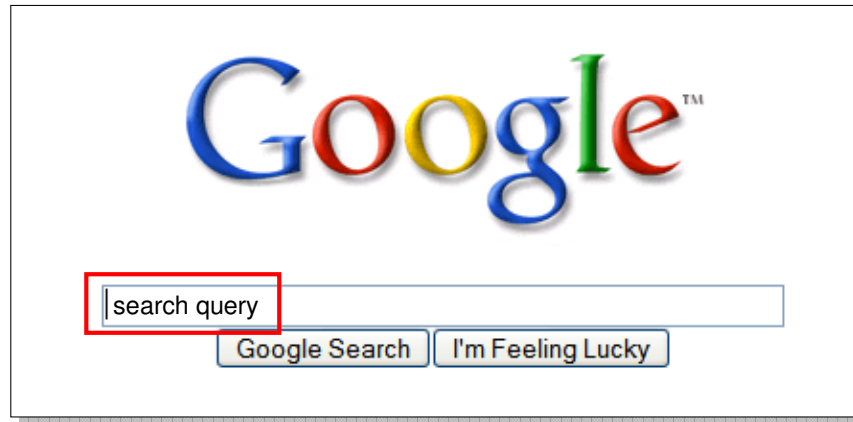
What is a Search Engine?

- **Search engine:** A tool for searching information on the Internet by keyword
- The most popular search engines are Google and Yahoo, but there are lots of others

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- A search engine helps you find information on the Internet based on your **search query**
- **Google and Yahoo are the two most popular search engines in the US, but there are lots of others.**

Search Query



Search query: keywords that you type into the search field of a search engine to find information

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A user who visits a search engine is presented with a text box in which to enter their search query. The search query represents the user's description of the information they're looking for.

Keyword Advertising

The image shows a screenshot of a Google search results page for the query 'toronto tourism'. The search bar at the top contains the text 'toronto tourism'. Below the search bar, the results are divided into two main sections. On the left, there are 'Local results for tourism near Toronto, ON, Canada' and 'Search Results (not paid)'. On the right, there are 'Paid Search Ads' labeled as 'Sponsored Links'. Red lines and arrows point from text labels on the right to the corresponding elements in the screenshot: 'User's Keyword' points to the search bar, 'Paid Search Ads' points to the 'Sponsored Links' section, and 'Search Results (not paid)' points to the organic search results section.

Annotations on the right side of the screenshot:

- User's Keyword
- Paid Search Ads
- Search Results (not paid)

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In this case, the user is looking for information related to 'Toronto tourism.' The search engine has returned a results page listing information it deems most relevant to this search query. Here you can see the results page from Google for the search query Toronto Tourism. At the top is the search query with the users keywords.

On the left are the search results found by the search engine. These results are determined by their relevance to the search query automatically and cannot be purchased (although you can optimize your website's text to improve it's relevance for certain search queries: this is called Search Engine Optimization). Sometimes these search results are called natural or organic search results, because they appear 'naturally.'

On the right are the Paid Search Ads You can see they are labeled as Sponsored Links. They advertisers have designed these ads to be shown when someone searches for the keywords 'Toronto tourism.' These ads are highly relevant to the consumer interests at the moment they are searching for products or services online.

Whether a person clicks on a search result or an ad, they are taken to a website with further info about Toronto tourism.

Keyword Advertising

- Keywords are terms that advertisers choose to trigger their ads on a search engine
- An advertiser designs ads that target consumers who are looking for his product or service
- Keyword-targeted advertising has proven highly effective by being relevant to the consumer's interests at the moment consumers are searching for products or services online

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Why Is Search-Advertising So Effective?

Imagine you're sitting at a table in a coffee shop.

Traditional methods of advertising (i.e. TV, radio, newspaper/mag) are analogous to a person stopping by your table uninvited and saying "Hey, you look like you could use some artificial sweetener! Have I got the sweetener for you! Try my sweetener!"

On the other hand, the power of search advertising is that the ad is initiated by a person's interest in the product or service. This is analogous to the same person in the coffee shop standing up and yelling "Hey, anyone have any artificial sweetener? Really could use some for my coffee!"

And at that point a few advertisers wander over and explain the benefits of their sweetener vs. their competitors'.

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Contextual Targeting

Reaches users as they **read content** online

The image shows a screenshot of the Food Network website's recipe page for "Roasted Garlic Pasta Sauce". The page layout includes a header with the Food Network logo, a navigation bar with categories like "Cooking", "Recipes", "TV", "Entertaining", "Wine & Drinks", "Contests & Offers", and "Store", and a main content area with a recipe summary, ratings, and reviews. Three callout boxes highlight specific elements: 1) A box on the left states "Google scans a page, interprets its content and serves relevant ads". 2) A box at the bottom left points to the recipe title "Recipe for Roasted Garlic Pasta Sauce". 3) A box on the right states "Relevant ads Targeted in real-time" and points to a sidebar of Google Ads. The ads include "Garlic Sauce" from eBay, "Sumptuous Gourmet Sauces" from GourmetGroceryOnline.com, and "Great Sauces the easy way" from ScandinavianSpice.com. The text "Slide 9" is visible in the bottom right corner of the screenshot.

Google scans a page, interprets its content and serves relevant ads

Recipe for Roasted Garlic Pasta Sauce

Relevant ads Targeted in real-time

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Using the same technology as keyword-targeted advertising, keyword targeted ads can be matched to the content on a site. This is especially useful for sites where content is updated regularly. Here you can see an example from Google, matching ads to the content of the page

A Typical Keyword Target Ad



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- A typical keyword-targeted text ad has four lines of text. Here is a sample text ad.
- The first line of text is usually referred to as the 'ad title'. This is the first portion of your ads that users will see, and it is used to attract users who might be interested in your product or service.
- The next two lines of ad text are used to describe your product or service briefly, and entice a user to click on your ad if they're interested in what you're offering.
- The last line of ad text indicates the web address to which the ad links. This lets the user know where they will be taken when they click on the ad, which increases trust with customer and helps increase the success of your advertising. This concludes the lecture portion of this topic.

Targeting Ads to Location & Language

Learning Objectives

After completing this topic, students will be able to:

- Explain language and location targeting and its benefits
- Describe why advertising on search engines gives companies global reach

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Location and Language Targeting

Target locations and languages worldwide



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Another major benefit Internet advertising gives you is the ability to target your ads to any language and location worldwide. Being able to advertise globally with the simplicity of keyword advertising is a powerful new ability for small business owners. The power to specifically target your intended audience increases your ability to select keywords and create ads that appeal to that audience by including specific locations in the ad text.

Targeting Ads to Consumers in a Specific Location

- For example, you could target your ads to Spanish speakers in California...or Brazilians who speak Portuguese
- Some search engine advertising platforms like Google enable you to target to very specific locations, like a city, zip code, or even an area you define
- Create many different campaigns targeted to many individual locations

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Picking Keywords

Learning Objectives

After completing this topic, students will be able to:

- Describe the types of keywords
- Pick effective campaign keywords

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The Relationship of Keywords and Search Queries

1. Keywords are chosen by the advertiser



2. Search query is entered by the user

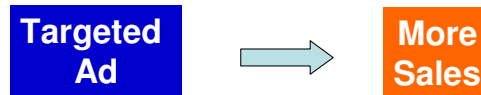


3. When these match, ad is shown to user

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How do I create effective keyword-targeted ads?

Ads that are relevant to their keywords are the essence of a successful keyword-targeted ad campaign



Choosing the right keywords is crucial

Think about which keywords your potential customers will use to search for your product or service...and whether your ad is relevant to those keywords

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Put yourself in the shoes of the customer when you are deciding if a keyword is relevant or not. Would a customer who is looking for this business' product search on this word? Also if a user is searching on this word, and the business' ad appeared, would they find it relevant?

How Do I Choose Good Keywords?

Relevant Keywords:

- Accurately reflect products/services being offered
- Match what your audience is looking for
- Target the audience without being too general

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Here are some best practices for creating successful keyword lists

- Keywords should accurately reflect the products/services being offered on your site and should match what the user is looking for.
- It's important to find the right balance between keywords being broad enough to capture a large enough audience without being too general or irrelevant
- If you're targeting a large geographic area, keywords should be more specific. If you targeting a small geographic area, keywords can be less specific (e.g. 'dentist')

Discussion

- If I sell men's and women's dress shoes, why shouldn't I use the keywords 'shoes'?

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The most common mistake new advertisers make is choosing keywords that are too general. If I sell men's and women's dress shoes, why shouldn't I use the keyword "shoes?"

Because ads will show every time a user's query includes the word shoes, such as "baby shoes," "tennis shoes," etc.

Picking Keywords - Exercise

Choosing the Right Keywords – Selling Dogfood


buy cheap dog food online now

~~pets~~ ✓ Purina dog chow

✓ buy dog food

~~dogs~~ ~~dog food recipes~~

~~vet~~ ✓ canned dog meals



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Keywords can range from irrelevant, to general, relevant, and extremely specific. Here we are picking keywords for selling dog food. Out of the following keywords that users might enter to search for our product, which keywords are too general or irrelevant?

Pets, dogs, and vet are all too general. Users searching on those terms might be looking for products other than food. Dog food recipes on the other hand would bring you irrelevant traffic, as those users are looking to make dog food themselves rather than purchase it.

Buy cheap dog food online now is an example of a keyword that is too specific. Few users are likely to search using this whole phrase. On the other hand, though, Buy dog food, Purina dog chow and canned dog meals would all be potentially good keywords that would bring relevant traffic to your site.

Keyword Matching Overview

- Increase the likelihood that your ad is shown to your desired audience
- Potentially decrease your cost
- Keyword-match types:
 - Broad
 - Phrase
 - Exact
 - Negative

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Different keyword-advertising platforms offer different types of **keyword-match types**. By using keyword matching, you can increase the likelihood that your ads will be seen by your desired audience. Employing keyword-match types can help ensure your ads are shown only when they are highly relevant. For example, Google offers four kinds of keyword match types:

- Broad
- Phrase
- Exact
- Negative

Broad Match

- Broad match keywords reach the widest audience
- Your ad appears even if:
 - Other words are included in the query
`car = buy used car`
 - A user types in a similar word to your keyword.
`homes = houses`
- All the terms must be present
`used books ≠ used motorcycle`

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• Broad-matched keywords reach the widest audience. They trigger your ad even if other words are included in the search query. For example, if your keyword is car, your ad may show up in response to the search query 'buy used car.'

• A broad-matched keyword also causes your ad to appear when a user searches for a similar word. For example, if your keyword is 'homes,' your ad may show up in response to the search query 'houses.'

• All the terms in your broad-match keyword must be present to trigger an ad. For example, the keyword 'used books' will not trigger an ad if a user's search query is 'used motorcycle,' since this does not include the keyword books.

• On Google, broad match is the default match type.

Broad Match

- Default setting for your keywords
- Terms in the query are not written in the same sequence as your keyword

car repair = repair car

drug free = free drug

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- When you add new keywords, broad match is the default setting. They are entered without out any surrounding punctuation marks.
- Broad-matched keywords also trigger ads even if the terms in the user's search query are not written in the same sequence. For example, the broad-matched keyword 'car repair' will trigger an ad in response to the search query 'repair car.'
- Sometimes this may have unexpected consequences however. For example, the broad-matched keyword 'drug free' will cause an ad to show if a user's search query is 'free drug.'
- Other keyword match types may enable you to better ensure that your ad is shown only when relevant.

Phrase Match

- Triggers your ad only when the query includes your keyword in the exact sequence that you specify
- Prevents your ad from showing on irrelevant variations of your keyword.
- To enable phrase matching for a particular keyword, enclose it in quotation marks

"your keyword"

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A phrase-matched keyword triggers your ad to appear for any query that includes your keyword phrase in the exact sequence and form that you specify. (Additional terms in a user's query can precede or follow the phrase.) Phrase matching prevents your ad from showing on irrelevant variations of your keyword. To enable phrase matching for a particular keyword, enclose it in quotation marks.

Phrase Match

For the phrase-matched keyword "used book", your ad could appear when users enter the following queries:

used book dealer
buy used book
rare and used books } Ad will appear

used paperback book
book of used matches } Ad won't appear

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If you used the phrase-matched keyword "used book", your ad could appear when users enter the following queries:

- used book dealer
- buy used book
- or rare and used books

The ad won't appear for the search queries:

used paperback book
and book of used matches

...because the words are not in the proper order.

Exact Match

- The most precise method for matching your keywords
- Trigger your ad only when the query contains the keyword, exactly as you typed it into the keyword list.
- Exact-match keywords are enclosed in square brackets.

[your keyword]

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Exact match is the most precise method for targeting your keywords. It triggers your ad only on a query that precisely matches the keyword you have specified – in the same order and without any additional words or letters before, between, or after the keyword. To enter an exact-match keyword, enclose it in square brackets.

Exact Match

For the exact-matched keyword [used book], your ad could appear when users enter the following query:

- used book - Ad will appear
 - used book seller
 - used books
- } Ad won't appear

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If you used the exact-matched keyword [used book], your ad would only appear when users search the query 'used book.' Your ad wouldn't appear for the search queries

- used book seller
- used books

While exact-match keywords are precise, they can often be so restrictive that your ad will rarely be seen.

Negative Match

- Prevent your ad from appearing when a search includes a word that isn't relevant to your ad
- To create a negative keyword, add a minus sign (-) before the keyword or phrase you want to exclude

- your keyword

- Scour the search results for negatives
- Use the Keyword Tool

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A good alternative to exact match is negative match. Negative-matched keywords prevent your ad from appearing when a search includes a keyword that isn't relevant to your ad. Your ad won't appear when a negative keyword you've specified is included in a user's search query. To specify a negative keyword, add a minus sign (-) before the keyword or phrase you want to exclude. You can generate lists of negative keywords by searching for your keyword and seeing which irrelevant terms appear in the search results for which people may be searching. You can also use the Keyword Tool to get ideas for negative keywords.

Negative Match

For the broad-matched keyword *used book* and negative keyword *-college*, your ad could appear when users enter the following query:

- *used book* seller
 - buy *used book*
- } Ad will appear
-
- *used college book*
- } Ad won't appear

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For example, if you used the broad-matched keyword *used book* and the negative keyword *-college*, your ad could appear when users enter the queries 'used book seller' or 'buy used book,' but won't appear when a user searches for 'used college book.'

Picking Keywords - Exercise

Picking Keywords: Exercise

You have a dog-walking company.

- What keywords should you pick?
- Which match types should you use?
- Which negative keywords might you use?
- 5 minutes



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Stop and do this exercise. Whiteboard results and discuss.

Good answers:

- Dog walker
- Dog walking service
- Dog walking services
- Professional dog walker
- Dog walking service
- Find dog walker
- Find dog walker service

Also consider adding a [city name] to the keywords

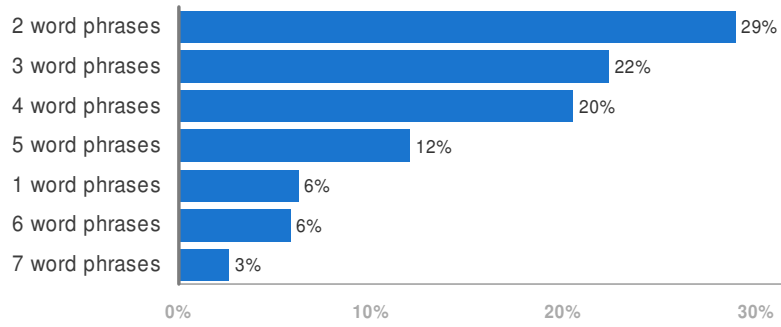
Broad, phrase, and exact match types would be effective for all of these keywords.

Possible negative keywords:

- jobs
- job
- become
- leash

Choosing the Right Keywords

Average US Search Phrase Length



94% of people in the US search with multi-word phrases

Source: OneStat.com – July 2006

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Choosing Keywords - Do's and Don'ts

Do

- Choose keywords relevant to your goals
- Use multiple word terms
- Add Negative Keywords to eliminate irrelevant searches

Don't

- Use general and irrelevant keywords

Avoid

- Extremely specific keywords
- Single-term keywords

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Selecting the Right keywords can make or break your performance. Here are some simple do's and don'ts to keep in mind while creating your campaigns.

First, best practices include keeping keywords relevant to your goals, using multiple word terms and finally, adding negative keywords to eliminate irrelevant traffic.

Typically you will want to avoid using general and irrelevant keywords, as well as single term keywords. It's perfectly acceptable to use these, but be aware of the challenges you might face. More general keywords often don't perform well – lots of impressions and not a lot of clicks, and have a higher possibility costing you more money. Finally, extremely specific keywords tend to limit your traffic, and so you should limit your use of these kinds of keywords.

Writing Effective Keyword-Targeted Ads

Learning Objectives

After completing this topic, you'll be able to:

- Write clear and compelling keyword-targeted ad text
- Explain what a 'call to action' phrase is
- Write ads that differentiate products and services
- Effectively write ads that appeal to local customers

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After competing this topic, you'll be able to:

- Write clear and compelling ad text
- Explain what a call to action is
- Create multiple, unique ads within an Ad Group

How do I write an effective ad?

- Ad text distinguishes you from the competition
- First impression your company makes on the customer
- Be persuasive and informative
- Communication, appearance, and style are important

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It's important to write targeted ad text for several reasons. Ad text is your opportunity to make your ad stand out from your competition. It is also the only part of your account that is visible to users. So, be persuasive, informative, really entice users to click on your ad. This will ultimately increase your return on investment.

Writing Targeted Ad Text

- Ad text distinguishes you from the competition
- Communication, appearance, and style are important
- Be specific, concise and compelling
- Use correct grammar
- Include benefits to the user and a call to action

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- Occasionally you may choose the same keywords as your competitors. In these situations, your ad text becomes a crucial distinguishing factor
- Poorly performing ads are vague, poorly written, or undistinguished. Successful ads are clear, well-written, specific, and compelling.
- They contain clear ad text, a specific benefit to the user, and a call to action.

Writing Effective Ad Text

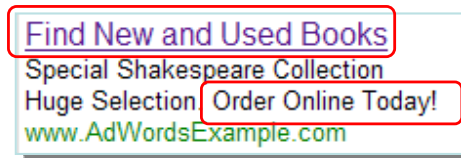
- Avoid using your company name in title
 - Exception:
 - When your customers are searching for you by name
- Do use keywords in the title that have proven successful

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- One of the most common mistakes advertisers make when writing ad text is including the company name or website domain in the first line of ad text.
- This doesn't typically attract more clicks unless you're advertising an established company with a compelling brand that can distinguish your ad from others. Even if your goal is to increase consumer awareness of your brand, you should still consider ad titles that result in the achievement of your goals (like sales) more often.
- To generate an ad title, review your keywords with the highest number of clicks or impressions. It makes sense to build on this success and include these terms in the ad text.
- Including successful keywords in the ad title is an effective way of increasing clicks because users can see immediately that your ad is relevant to their query.

Include a Call to Action

Examples: Get info. Research here. Download free white paper. Order our catalog. Buy now. Save money.



Avoid meaningless slogans and gimmicky language

~~Click Here~~

~~Visit Us~~

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We recommend using a strong call to action, relating specifically to your conversion, such as a sale or sign up. Can you see a call to action in this ad?

If you guessed Find New and Used Books, and/or Order Online Today, you were right! Both of these phrases invite users to interact with the site.

Some other examples of good calls to action are: “Buy now,” “Order here,” and “Find now”. Making these general calls to action more specific also increases the relevancy of the ad. For example, the call to action phrase “Buy Sony Digital Cameras Here” is more effective than the more general phrase “Buy here.”

Avoid using meaningless slogans such as 'Click Here' and 'Visit Us'.

Ideally, your call to action will inform the customer what it is you want them to do on your site.

Differentiate Products or Services

Send Chocolate Gifts

Save 10% on all chocolate orders.

Free shipping over \$50.

www.chocolate-example.com

- Save 50%
- \$10 Off
- Seasonal Sales
- Free Shipping
- Free White Paper

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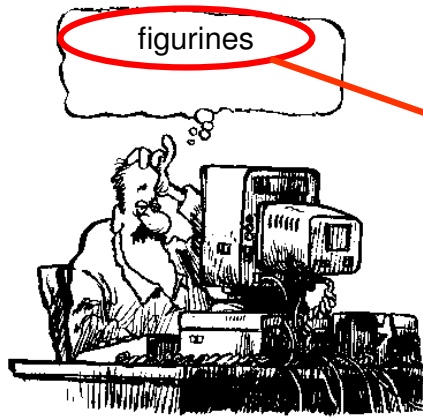
Remember that you are only given a few lines and characters to work with so you really should try and make your ad stand out among your competition. Whatever makes you different from your competition or gives you an edge, try to highlight that in your ad.

Reviewing your competitors' ads can help you understand your market better. These ads can also help you identify benefits of your own business that your competitors don't have. You should then include these benefits in your ads.

Use your special offers, sales, etc to your advantage. If your sale offers are changing though, don't forget to update your ad text.

Keywords in Ad Text

Catch your customer's eye by making sure your headlines match the keywords.



figurines

[Collector Dolls 40% Off](#)
The Anastasia Collection -
Porcelain Dolls, Doll Stands, & More
www.Figurines.com

[Discount **Figurines**](#)
Unique Collectibles, Gift Ideas,
Figurines & Miniatures. Buy Online!
www.Figurines.com

Matching terms show up in bold text on the Google results page.

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One of the most important elements of writing effective ads is including your keywords in the ad title or somewhere in your ad text.

Think like a customer. If you search for 'figurines' and you see these two ads, which one would you be more likely to click on?

Most Google users prefer the bottom one with Discount figurines in the ad title.

In looking at the top ad, "collector dolls" might encompass "figurines," but the visual match makes a big difference in establishing relevancy.

Another reason this works well for advertisers is that keywords are bolded in ad text, making the ad stand out even more.

Advertise by Location

Location in ad text can increase performance

- Attracts attention of local users
- Non-local users will not click on ad



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•If the location of your business is important to your customers, you should include that location in your ad text to increase your ad performance.

•For example, if your business only offers service in New York, you should state that clearly in your ad text. Potential customers who see an ad targeted to their location are more likely to click on that ad.

•Use this technique in combination with the location targeting feature of Internet advertising for greater effectiveness.

Inter-capitalize Display URL

[Find New and Used Books](#)

Special Shakespeare Collection
Huge Selection. Order Online Today!

www.adwordsexample.com

[Find New and Used Books](#)

Special Shakespeare Collection
Huge Selection. Order Online Today!

www.AdWordsExample.com

Inter-capitalizing your display URL may make your ad stand out more and lead to better clickthrough rates

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Another important piece to writing effective ad text is to make your display URL stand out. You can do this easily by capitalizing the first letter of each word within the URL. A lot of our advertisers have found that this has helped them get better clickthrough rates as it made their ads stand out more.

We recommend testing both versions of your display URL before deciding what works best for your campaign.

Experiment with Multiple Ads

Use multiple ads to test messages and see which one works best

[Google Online Advertising](#)
Maximize your ROI with AdWords.
Try our CPC program today.
www.google.com

[Online Advertising](#)
See your ads on Google instantly.
Connect with new customers.
www.google.com

[Start Advertising Online](#)
Target your ads to a specific
country, state or city!
www.google.com

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- Having multiple ads that work on one set of keywords lets you test a variety of ad messages. One ad may get more clicks, but another ad might lead to more sales.
- Let's look at an example of multiple ads that could be included in one Ad Group. All the ads shown here contain a strong call to action. The ad on the bottom left removes the company name from the title, and contains a different offer and a different call to action. The bottom right ad experiments with yet another title and a different characteristic of the product being offered.
- There are typically two approaches to creating multiple ads. One is to create only slightly different ads, to see how much difference single words and phrases can make. This approach is best for ads that have already proven their relevance with clicks. Making minor changes to your ad text can help you fine tune its performance. Always be open to experimenting with different ad text, regardless of how well the current ad text is performing.
- The second approach is to create completely different ads with different offers, or different features that you would like to highlight.
- This approach is helpful if you're creating the initial ads for an Ad Group, and you aren't certain what will work well. Both are acceptable approaches, and often using both approaches gives you better data on what works best.

Automatic Optimization of Ads

Advanced Options
Keyword Bidding: Default manual bidding - Max CPC
[View and edit bidding options](#)
Ad scheduling: Off. Ads running at all times.
[Turn on ad scheduling](#) ?
Position preference: Enable position preferences ?
Ad serving: ?
 Optimize: Show better-performing ads more often
 Rotate: Show ads more evenly

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- The Google system offers automatic ad optimization: when you have more than one ad with a set of keywords, the system will show the better-performing ads more often than the ads that get less clicks, and will eventually stop showing the low performers.

Writing An Effective Ad - Exercise

Writing Ad Text: Exercise

- Write a compelling ad for your dog-walking company that describes your product
- Follow these ad-text character limitations :
 - Ad Title (25 character limit)
 - Two Lines of Ad Text (35 character limit each)
 - Display URL (35 character limit)
 - Spaces count as characters
- 5 minutes

When done, get in pairs and critique each others' ads

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At the end of the exercise, regroup and ask for volunteers to share their ads. Discuss whether they've incorporated all the recommended techniques.

Other Internet Ad Formats

Internet Ad Formats

Text Ads

Image Ads

Animated Ads

Video Ads

Mobile Ads

Local Business Ads



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- The Internet offers a variety of ad formats. We've discussed a text ad. Other formats that are available are image ads, animated, video, mobile and local business ads.

Keyword-Targeted Advertising Vocabulary

Definition: Impressions and Clicks

- **Impression:** The displaying of your ad one time to one user
- **Click:** The action of a user clicking on your ad

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Impression: The displaying of your ad one time. Think of it as making an impression on the eyeballs of the viewer.

Click: The action of a user clicking on your ad

Definition: CTR

CTR: clickthrough rate

$$\frac{\text{Clicks}}{\text{Impressions}} = \text{CTR (expressed as \%)}$$

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- Another important industry term is clickthrough rate, often abbreviated as CTR.

- Here you can see the formula used to calculate clickthrough rate. The clicks accrued by your ads, divided by the number of impressions, results in a fraction. When this fraction is multiplied by 100 it yields a percentage, which is the clickthrough rate. On the next slide you'll see some examples of this calculation.

CTR Examples

CTR is a measure of relevance

$$\text{Example Advertiser A: } \frac{20 \text{ clicks}}{1000 \text{ impressions}} = 0.02 = 2\%$$

$$\text{Example Advertiser B: } \frac{3 \text{ clicks}}{100 \text{ impressions}} = 0.03 = 3\%$$

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•Your clickthrough rate is a metric that helps show how your ads are performing . The more relevant your ads are, the more often users will click on them, resulting in a higher CTR. A high CTR usually indicates your have highly relevant ads and keywords. Google rewards advertisers with a high relevance by increasing their Quality Score (defined later), which decreases the cost they must pay to be shown higher in the results of Sponsored Links.

•In this example you can see Advertiser A has received a total of 20 clicks on a particular AdWords ad. This ad has appeared one thousand times, and so has 1000 impressions. The calculation shows that this advertiser has a resulting CTR of 2%.

•In this example, Advertiser B has received 3 clicks over 100 impressions, resulting in a CTR of 3%. Remember that these are only examples, and clickthrough rates vary significantly depending on the industry, the keyword, and the advertisers goals.

Definition: CPC

CPC: cost-per-click

- You are charged only when a user clicks on your ad, hence the pricing model is cost-per-click
- Also called pay-per-click

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With the most keyword-targeted advertising programs, the advertiser is charged for impressions or clicks, depending on the type of campaign you create. First, let's look at cost-per-click pricing model.

•A click is defined as the action a user takes to select your ad, and be taken to your website.

•Cost-per-click pricing, often abbreviated as CPC, means you're charged when a user clicks on your ad and is taken to your website. You are not charged at all when your ad appears on a search results page, called an impression, and does not receive a click.

Definition: CPM

CPM: cost per 1000 impressions

- Site-targeting campaigns vs. keyword targeted campaigns:
 - Site-targeted ads appear next to content on sites that you choose.
 - You pay on a cost-per-thousand impressions (CPM) basis, paying for how often your ad is shown.
 - You are charged for every 1,000 impressions your ad receives
 - **CPM of \$3.00:** You pay \$3.00 every 1000 times your ad is displayed

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• Advertisers who create site-targeted campaigns are charged on a cost-per-impression, or CPM, basis.

• An impression is recorded each time your ad appears on the Google Network. You will learn more about our partner network in the coming slides.

• Under the CPM pricing model, AdWords will charge your account for each impression your ad receives, whether users click the ad or not.

• CPM bids are made per thousand impressions.

• For example, a CPM of \$3.00 means you pay \$3.00 every 1000 times your ad is displayed

Definition: Quality Score

Quality Score

- Search engines only want quality ads in their results
- So they measure the relevance of keywords and ads and assign a **Quality Score**.
- Advertisers are rewarded for having a high Quality Score by having their ads promoted higher while paying less for clicks.
- Factors may include:
 - CTR
 - Keyword relevance to ad text
 - Landing page quality

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• Search engines like Google and Yahoo recognize that having ads that are highly relevant to the search results is good for users. So they measure the relevance of keywords and ads and assign a Quality Score. They reward advertisers who have a high Quality Score by promoting their ads higher, while charging them less.

• Clickthrough rate is one of the metrics that helps determine Quality Score, although there are many factors. Others include the relevance of your ad text and keyword, and the quality of your ad's landing page.

Definition: CPC Bid

CPC Bid

- The maximum you pay per click to show your ads
- Top spots are auctioned, so you bid to get to the top spot
- You usually pay less per click than your bid

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To Learn More about Google AdWords or Sign Up

- The AdWords Learning Center
 - <http://www.google.com/adwords/learningcenter/>
- Google AdWords Sign Up
 - <http://adwords.google.com/>

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