



Google AdWords & Overture PPC Tips

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Search Engine Optimization Book

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This is a free excerpt of the SEO Book covering the pay per click search engine market.

The entire SEO Book covers many other search engine marketing strategies such as:

- Keyword research
- Choosing a domain name
- Placing keywords in your page copy
- Website submission
- Link building
- Effectively using SEO tools
- Tracking your progress
- and many other topics...

Go to SEO Book.com to get your full copy of The SEO Book today.

This chapter is essentially the same as the PPC chapter of The SEO Book. The one major difference between the two is that this guide has affiliate links in it to cover some of the costs of formatting, updating, and giving away this information. The SEO Book does not have affiliate links in it, although the same tools are recommended in both documents.

Disclaimer: The information provided in this guide is useful and helpful to the best of my knowledge. The author of this free guide shall not be held liable for the use or misuse of information contained within.

Pay Per Click

Pay per click search engines can give you instant traffic and allow you to test new business models in real time. The pay per click market is competitive though. It is worth spending an extensive period of time learning how to write and target ads, tracking your competitors, and doing deep keyword research before jumping in.

Before You Start

Metrics Based Marketing:

PPC search engines provide a highly trackable marketing medium. Frequently people begin marketing without any idea as to the approximate value of a click. If you do not set up a value range and track the results you have no way to distinguish good marketing from bad marketing.

To know the value of a click you need to decide what the goal of your marketing is. If you are just branding then you should expect to lose money and tracking may not be that important.

If you are using pay per click search engines for direct product marketing you need to know how much each click is worth.

Typical Conversion Rates:

Lead generation sites typically have a conversion rate around 10 to 12%, but can go as high as 30% + if they are properly targeted and exceptionally appealing to visitors. Since little investment is needed to arrive at your website and so many others are just a click away selling stuff the web has a conversion rate similar to direct mail advertising. High ticket items have a lower conversion rate and unique cheap items tend to have higher conversion rates. Many stores find typical conversion rates might be anywhere from .3 to 4%.

Doing the Math:

There are a ton of factors that go into click price. It is somewhat hard to measure branding, but ad distribution can help with that. Most other things are tangible.

If you know your average order size, profit per order, and estimated conversion rate you can get a good idea what clicks are worth. Some people also factor in lifetime cost of a customer, but it is harder to measure and there is still enough opportunity in many markets to do your math primarily based on direct return.

Before You Start:

It is a good idea to look at the various ads which are displayed in which order over time. The top guy might be an idiot losing tons of money or a person who is paying an extreme premium for branding.

If ads from affiliate marketers or smaller sites are ranking around the same ad position over the course of a few weeks to a month then they are probably doing something right (generating profits). It is worth it to take a couple weeks to do deep keyword research and market analysis before jumping into pay per click search engine marketing.

Why Pay Per Click is Important:

I was working to raise the rankings of one client for a few competitive phrases. I was taking a decent investment in time and money. I then started a pay per click campaign to test a ton of terms. As it turns out his conversion rate for the words we thought we needed were not great. There were a couple other terms with lower search frequency and less competition which converted exceptionally well.

Had we not done pay per click marketing we may have never properly focused his SEO efforts. In less than a month on about \$300 we increased the productivity of his site ten fold.

The only way to be certain of anything in marketing is to test it. Pay per click marketing allows you to test real time with the fastest feedback loop of any marketing medium in the world.

What is Pay Per Click

In 1998 Overture pioneered the idea of selling contextual based advertising. You could buy search results for as low as a penny or two per click. This system has quickly evolved into one of the worlds most competitive marketplaces.

Why Use Pay Per Click?

Sometime you can not afford to...or simply do not want to wait. Pay per click search engines allows you to list atop search results quickly. This will allow you to:

- Prototype ideas to track demand before you invest into a new business model or are stuck footing the bill for a new site design.
- Quickly gather feedback on market conditions.
- Split test to a live audience and gather results in real time.

You can use Google AdWords to offer a free white paper about some topic from a one page website. If nobody is interested in downloading your white paper or you can not seem to get enough clickthroughs then odds are:

- the market is not yet ready for your product

- or you are marketing it from the wrong angle
- or you are marketing it to the wrong people

Who Should I Trust in Pay Per Click?

There are a few major players in the pay per click arena. Overture (as of writing this) currently has network partnerships that span Yahoo!, MSN, InfoSpace, AltaVista, AllTheWeb and many other partners. Google AdWords has a larger distribution network across Google, AOL, About, Earthlink, and many others sites...even a few of my own.

For the sake of this report I am only going to cover [Google AdWords](#) and [Overture](#). There are a few other pay per click search engines ([FindWhat](#), [Kanoodle](#), [Enhance Interactive](#), [Search123](#), [Epilot](#)) that may be well worth a look **after** trying Google AdWords and Overture. While beginning pay per click advertising I would recommend **only using Google AdWords and Overture**.

Why Use Large Pay Per Click Search Engines (Google AdWords + Overture)?

When you use large pay per click search engines you guarantee you are getting good traffic and that your business model is scalable.

Smaller engines provide slower feedback loops and some may not even provide quality traffic.

- The results will be scaleable.
- The feedback will be quicker.
- Large pay per click search engines offer many great tracking and targeting features free.
- Larger pay per click search engines generally present higher quality traffic and are less susceptible to fraud.
- It is less complex managing two or three accounts versus 100 accounts.
- It's easier to track the ROI on 2 accounts than on 100 accounts.
- Many of the extremely small search engines **never have real traffic**. You are wasting your time registering with them.
- Even some of the better second tier search engines may waste a big hunk of change. In early November 2004 I tried using LookSmart. It sent me twice as much traffic as Overture and traffic from LookSmart had a 95% bounce rate. That means that 19 of 20 site visitors from LookSmart immediately left and **I paid for a ton of garbage traffic**. The quality of traffic from smaller engines will vary from term to term, but its best to go with the biggest guys off the start and then try some of the smaller engines.

Overture



How Does Overture Work?

Overture is manually edited pay per click search engine. You write ads for your website and they get approved to appear in the search results on Overture partner websites. Overture bid prices are completely transparent and you can see exactly what your competitors are bidding at any given time.

In the past Overture placed exact match listings above broad match listings. Recently they have switched and now automatically offer broad match listings. Exact match is an option, but they no longer enjoy the same benefit they once had in the past.

Overture Bid Prices vs. Click Costs:

With Overture you pick a maximum bid price and your bid will never exceed that. Their software has a bid discounter built in, so often times your average bid cost may be less than your bid prices. Overture makes bid prices transparent. In competitive fields competitors will ensure your click costs are near your bid price.

Overture Programs:

Overture offers a [\\$10 bid bonus](#) when you open an account, but has a \$50 startup fee (which is converted to click credit), and it has a \$20 monthly minimum spend (20 pounds for Overture UK). They also have a FastTrack program where their account representatives will set up your account for a one time \$199 fee. I recommend taking the time to set up your own account. You know your products better and are more interested in your own success than some random Overture editor is.

Overture recently launched Local Match, which allows you to target your ads from a .5 to 100 mile radius of your business location. The Local Match product requires that you have a business with a physical address, but it does not require a website. These ads give driving directions to your place of business. Local Match ads show up in the same location where other Overture ads appear. Unlike the regular Overture product Local Match has no monthly minimum.

Overture also offers a paid inclusion program by the name of Site Match (which I generally consider a waste of money for most websites). Site Match gives your sites 48 hour refresh throughout the Yahoo! powered search products. Site Match is a one time \$49 review fee and also has an **incremental cost per click**. Site Match is good for sites which:

- are rapidly changing
- or are having dynamic indexing problems
- or need indexed quickly
- or need the associated tracking offered by Site Match

Free Overture Tools:

Overture offers a suite of tools to help their advertisers set up their accounts.

- **Overture Search Term Suggestion Tool:** shows the frequency of searches across the Overture network for the prior month. (<http://inventory.overture.com/d/searchinventory/suggestion/>)
- **Overture View Bid Tool:** show the highest bidders for a specific search term. (http://uv.bidtool.overture.com/d/search/tools/bidtool/?Keywords=casino&mkt=us&lang=en_US)
- **Overture Regional Search Term Suggestion Tools:** gives [country or region specific search frequency](#).
- **Overture Advertiser Workbook:** [free downloadable ebook released](#) by Overture to help you get the most out of your Overture campaign.

Overture Search Term Suggestion Tool Errors:

Overture truncates their search volumes. While the plural and singular versions of search terms will greatly differ in search volume Overture just lumps them together.

Please note that the Overture search term suggestion tool tends to run high since many automated bots and bid managers scour through their partner network.

WordTracker tracks click data from the meta search engines by the name of Dogpile and WebCrawler. Since WordTracker makes their money by selling data versus clicks you can usually expect more legitimate traffic measurements using WordTracker. Digital Point created a [free keyword suggestion tool](#) which compares both traffic estimates.

[KeywordDiscovery.com](#) and [GoodKeywords.com](#) are two additional useful keyword research resources.

When doing pay per click advertising deep keyword research is a fundamental part of most successful campaigns.

The Keys to Doing Well on Overture:

Ensure you target your keywords properly and do not get in bidding wars. Do not bid high prices for exceptionally broad or generic phrases.

Your exact match listings will still compete against broad match listings, but if you make a list of targeted phrases then you will not likely pay for as many untargeted clicks as a person bidding for more generic phrases. If you use somewhat generic phrases you will want to make sure you use negative words to block terms you are not interested in.

A few good examples of good negative terms to block are cracks and free.

Keyword tip: Spammed Out Guestbooks: software or searching techniques which find spammed out guestbooks which have been visited by competitors can help you find many keyword variations. Keyword tools may help you find about 500 keywords, but the guestbooks sometimes may yield over 5,000.

[This free tool](#) (web based) or [this free tool](#) (downloadable software) or [this \\$50 tool](#) (downloadable software) will help you create a ton of keywords based on different keyword groupings. Using that tool will allow you to quickly create hundreds or thousands of relevant exact match terms. This is the tool I use to make up my extended keyword lists after I have already done primary keyword research. Microsoft Excel also has a similar feature.

Some of Overture's partners cut the ad text short so you will want to include your most important words near the beginning of the ad title and ad description.

Overture does not factor clickthrough rate into click cost. A high click through rate may bring more expenses without many more conversions so you will want to prequalify your site visitors. If you are trying to sell bulk stuff at wholesale do not be afraid to use the word wholesale in the title AND use \$1,000 minimum order in the ad text.

Ad Writing Tips

There are many subtle hints to doing pay per click advertising correctly. A small change in conversion rate can make a huge difference once scaled out across the entire web. A marginal loss that turns into a marginal profit can become an automated revenue stream if you know how to write your ads correctly.

English to English Conversion

I went to the UK and realized just how different the versions of English are around the world. If you are targeting a specific region or country make sure your ads and website make sense to locals using words and phrases that make sense in their dialect.

Use Specific Words!

Choosing a keyword for pay per click ads is similar to choosing a keyword for search engine optimization. You do not want generic terms. Frequently single word

terms bring so many competitor clicks, compulsive clicks, and fraudulent clicks that it is hard to justify having them. Single words are usually poorly targeted AND more expensive. If you get into bidding wars over general terms you are playing the game all wrong. Actually, the game is playing you.

Do Not Follow the Crowd:

Bid prices may not be justified where they are. Many times people feel they need to have certain terms. Without tracking them, these people lose money and do not know why they are losing.

Sometimes people chase things which give them an inflated artificial value. If you try to do exactly what the other ads are doing you may fail. In many markets the top listed ad is losing money on each and every click.

Use Creativity to Lower Cost and Increase Conversion Rates:

Keyword Selection:

The way to choose a term is to think creatively. Try to imagine what your user may type into the search engine to find what you are selling. You may even want to bid on terms which exist in a question format. Think of your target audience. Maybe these terms are problems that people have. Perhaps these people do not even know your product exists.

Writing Headlines:

Some of the most competitive ads in the world are magazine covers in a checkout aisle. You may want to glance through a few magazines covers and table of contents to find ways to write headlines and ads that pull sales.

Place Keywords in Your Ads:

Many search engines highlight the words in ads that match the users query. Placing the search term in the ad will help your ad stick out more and improve your click through rate.

Bid on Current Events & Buzz Words:

Often times my cheapest and highest converting ads are for industry buzz words that nobody else bid on. The phrase “Nigritude Ultramarine” (from the SEO competition) has sold multiple copies of this ebook. In addition it has introduced hundreds of visitors to my site at 8 cents per click.

Start with a Verb:

You may be able to significantly increase your clickthrough rate if you start your ad copy with a powerful active verb.

Additional Conversion Tips:

Many times it is not worth it to list at the top spot. Frequently trying to list at the top will cause bid wars with ego bidders. Usually listing a bit lower will improve the return on investment since you have less compulsive clickers and a lower bid price. In addition as people scroll down the ad list they do a better job of showing user intent. They do a better job of prequalifying themselves for the purchase.

If you make the ads sound compelling to the reader, you can improve your click through rate to where you get more traffic than the top ad does anyway. Try to solve a problem, show a benefit, or offer a solution to their problems.

Link to a Landing Page:

Link into the exact page of your site you want visitors to see and not to your home page. By channeling all your traffic through the home page you may be telling a person that you do not care about them, and making it harder for them to convert into a sale. You may even consider adding a special page to your site that is made exclusively for that pay per click program. By linking directly into it from the ads you make it very easy to track ROI.

Exact vs. Broad Matching (explained further in AdWords section):

Many search engines have different matching levels which are used to filter when your ad is displayed.

Exact match will only show for search results where the user searched specifically for your keyword phrase, **and only your keyword phrase**.

Phrase match will show when your exact phrase appears anywhere within the search query with the words in the same order.

Google and Overture will sometimes show broad match ads when people search for synonyms of your keywords. If your keywords appear in the search in any order your ads will display.

If you are new to pay per click you may want to use exact match until you get a feel for pay per click advertising.

Search & the Buying Cycle:

Many people perform multiple searches prior to purchase. Typically early searches tend to be more generic and as people get closer to determining what they want to buy they search for brand names (or brand name + keyword) more frequently.

It may be harder to determine the ROI on the more generic terms than on well branded terms as the branded clicks typically fall closer to the purchase date.

Customer Tracking and Bid Management

How Tracking Works:

If you are paying by the click, you need to know what each of those clicks is doing. From the second they click until they leave or purchase.

If your server is already equipped with great tracking software it is easy to add a tracking tag on the back of your ads. Instead of your Overture listing going to <http://www.domain.com/salespage.html> have it go to <http://www.domain.com/salespage.html?source=ov+add=6+keyword=fred>.

Tracking Software:

My favorite log file analyzer is ClickTracks. It displays the webpage in a viewable browser highlighting the click ratio for each of the links. [ClickTracks](#) also allows you to set up custom tracking tags to view traffic through different visitor paths. While the software is expensive to some at \$500, it is a steal for some larger commercial websites.

Some other popular conversion tracking software options are [Keyword Max](#), [Urchin](#), [Index Tools](#), & [WebSideStory](#).

[ConversionRuler](#) is inexpensive suitable software if you are primarily concerned with tracking pay per click results. ConversionRuler starts out around \$20 a month. Overture and Google also provide built in conversion tracking software which they provide free.

Google also created a free cross platform conversion tracking tool which comes with their AdWords product. It works for tracking email ads, banner ads, and various PPC search engine ads.

There are also free tracking services such as [Extreme Tracking](#) and [SiteMeter](#) if you want to access referrer stats easily, but I would not recommend using them for tracking any of your pay per click statistics.

If you are a heavy spender on pay per click you will most likely want to use bid management software.

Bid Management Software:

There are automated software programs which will track your bids and change them multiple times a day so that you achieve optimal efficiency with your ads. These programs can do various things such as: list your site relative to another website, bid gap management (list your site right where the first large bid gap is), bid trapping (bidding 1 cent underneath your competitor) and various other functions.

The best part of bid management software is that good bid management software can allow you to dynamically change the bid price from price per click to other metrics such cost per action or ROI.

If you get big into pay per click search engines and are managing multiple accounts it is worth the money to use a bid management program to help save time and money. Currently three market leaders in this field are [BidRank](#) (downloadable software), [Keyword Max](#) (hosted software application), and [Atlas OnePoint](#) (hosted

software application). Overture also recently created their own bid management tool by the name of [Overture Search Optimizer](#).

Fraud Prevention Software:

Most major pay per click search engines have fraud protection built into their system to protect the value of click prices. You should use your server logs to validate clicks if you are running a large campaign. Generally due to time overlaps and differences in reporting it is considered acceptable to have an error up to 10%. If your error is much larger than that be sure to notify the search engine.

If you have a good log file analyzer and understand how to use it then you have no need for a fraud prevention tool, but these tools make it quick and easy to spot potential fraud.

If you believe your competitors are clicking your ads or you are investing heavily in a competitive market you will want to take a look at additional fraud protection. Two of the current leaders in the PPC fraud prevention software market are [Who'sClickingWho](#) and KeywordMax [Click Auditor](#). They both keep track of clicks from IP addresses over time. Even if a competitor only clicks on your ads every few days it still adds up over time. This software allows you to accumulate the evidence you need to reverse charges and potentially file a lawsuit.

Google Adwords



Google AdWords gets it's own extremely long section because it is exceptionally more complicated than other PPC search engines.

Google vs. Overture:

Google (and Google AdWords for that matter) are in a battle with Overture for search distribution. One of the two search engine is distributed on nearly every major search engine or portal.

Google Bid Prices vs. Click Costs:

With Google you pick a maximum bid price and your bid will never exceed that. Their software has a bid discounter built in, so often times your average bid cost may be way less than your bid prices.

Google bid prices are not transparent so your competitors have no way to be sure exactly what your ads are costing (due to factoring in click through rates into effective bid price – which I will explain later). Often times your actual price is much lower than your maximum bid price. Remember that on Google it is average click cost that matters and that is often way different than your max bid.

A few Things you can do with AdWords:

Google AdWords is an advertising medium like no other.

- There is only a \$5 signup fee (which is converted into bid credits).
- You can have ads across Google's network of sites in less than 10 minutes.
- Google's broad match technology allows you to receive extremely broad distribution while keeping it quick, easy, and simple to use. Overture now does this too.
- Google's vast distribution network makes it possible to test a business model without fully investing into creating that business.
- Google AdWords has syndication which you can turn on or off to determine whether or not you want AOL users and other searchers to see your message.
- Google has a content network of sites (including a few of mine) which you can decide whether or not you want to advertise on.
- Google has rolled out Geotargeting so you can target your ad to a country, state, metro area, zip code, or geographic radius of your choice. You can run multiple ads for the same words and test them against each other or send them to different pages to A/B split test your site or ad copy.

The Importance of a High Clickthrough Rate:

Google lets its users determine the relevancy of the ads. Price for Google AdWords is a function of price per click * click through rate. Google uses the average click through rate from the 1,000 most recent ads in this calculation. This means if you know how to get a high click through rate you can dominate Google AdWords by serving up ads at a far cheaper rate than what your competitors are paying.

The best way to do well with Google AdWords is to create ads with a high click through rate.

Distribution buys further distribution. Off the start you will want to overbid slightly as you will be competing against the best ads that have developed over time in your niche. If your click through rate falls below .5% Google will slowly choke the ads and eventually will suspend the ad group.

The bid prices Google suggest are often somewhat high. I usually cut the suggested bid price by 50-75% when I first start an account. I then monitor closely and change it to try to maintain decent ad position.

Broad Match, Phrase Match, and Exact Match:

Google AdWords and Overture both have different levels of word matching. Using [search term] will only return searches for **search term**.

Using "search term" will appear on **any ad that has search term in the query** (in the same order.)

Using search term (no quotations or brackets) will appear on **any search that has search and term in it**. Also with broad matching, synonyms to search term will also return results. If you decide to start off with broad matching you should view the synonyms to ensure none of them are wasteful.

Examples:	Match Type	Will Show Results For	Will not show results for
[eat cheese]	Exact	Eat cheese	Any other search.
“eat cheese”	Phrase	Eat cheese, I love to eat cheese, Did you eat the cheese?	Cheese eat, or anything else which does not have both elements together in the same order as the search term
eat cheese	Broad	All above options and searches such as: cheese eating, ate cheddar, etc.	

Please note that Overture is combining broad match and phrase match into a single group called advanced match. Google still offers all three matching technologies.

Google Keyword Sandbox:

(Not the same thing as the SEO phenomena some people call the Google Sandbox.)

The Google Keyword Sandbox (<http://www.adwords.google.com/select/main>) will show you what terms will be used for AdWords broad matching. In addition it will suggest other keywords you may want to advertise for. Unlike many of the other keyword suggestion tools the Google Keyword Sandbox does not offer search frequency. To test search frequency you need to set up a bidding account for the specified term (please note: this can be expensive if you do not target and bid too high).

In December of 2004 Google also created a [search term suggestion tool](#) which auto-completes partial search queries. It does not show search volumes, but search volume is believed to play a heavy role in its output. The tool is currently only available in some languages.

Negative Keywords:

There is a negative keyword option in both Overture and Google AdWords. Any word that you do not want your ad to appear for can simply be blocked by placing -badword beneath your keywords.

There are many words which would indicate a lack of desire to purchase anything. Words like crack, free, pic, mp3 or download are often money losers if you do not remember to include these in your - keyword list.

Example keyword list showing a negative keyword: (should be much longer and more detailed, this is just an example though)

Eat cheese
Buy cheese
-free

Thus your ad would show up for many cheese queries, but for none that included the words free. Google also allows you to filter negative keywords at a campaign level.

Dynamic Keyword Mapping:

By including your keywords in your copy, you help boost the clickthrough rate. Keywords which occur in your ads will be highlighted by the search engine results page display processing program. This draws additional attention to your ad.

Google now offers a tool which will place the active search word from your keyword list in the ad title automatically. If you have a group of similar keywords that will still use the same body text you can enable this feature by writing out your normal body text, and placing {Keyword: default keyword} in the title of the ad.

When the chosen keyword is greater than 25 characters the default ad title will show. Otherwise the ad will show the search term as the ad title. Also note how I capitalized the K and W in keyword. This makes the words in your ad title appear capitalized. You also can place dynamic keyword mapping technology in the middle of sentences, such as “Buy Cheap {Keyword: default keyword}.”

Getting Feedback from Your Account:

When opening up a Google AdWords account many people are hesitant to spend much money. In spending a small amount the business is essentially ignoring the feedback loop Google has set up.

Is it better to loose \$100 today, than to loose it over three months to finally come to the conclusion that you need to change? I would rather want to know that I need to change now. **Not all industries will make money from AdWords.** It is not a business model that will work perfectly across the board.

If you spent on targeted keywords your site should have a chance for success. Any good marketing internet based business relies on fast feedback loops to help it improve. Off the start you want to overspend on your ads so you can see which ones are effective. After a while you can regroup your ads by prices and then slash your bid price down. The ineffective ad groups or keywords will automatically shut off and your effective ads will keep displaying.

Google Advertising Professional:

The [Google Advertising Professional program](#) is a program which allows marketers to be certified as a Google AdWords expert. The requirements are that you spend at least \$1,000 in a 90 day period after signing up, comply with their rules, and pass a test. After the 90 day period is up you can place a logo on your site which will perhaps make many people assume that Google endorses all of your SEO / SEM services.

The new program also allows you to link together up to 500 AdWords accounts so that you can access and manage them from a single login. Google also offers many [free online tutorials](#) which can help prepare you for the test and help you learn more about AdWords even if you do not want to take the test.

Google AdWords is Responsible Advertising:

Add all the above features to the fact that Google also offers a free web based conversion tracking tool, and you can see how the AdWords system is a direct marketers dream. Everything is targetable, tangible, and measurable right down to the cent.

Google also offers a program by the name of [Google JumpStart](#) where they will help set up your account for you. Likely they will not be able to set up the best account for you, but they might be able to help you get your feet wet. The fee to join JumpStart is \$299, and the fee gets converted to bid clicks.

Bonus Info: How to Improve Clickthrough Rate and Slash Google AdWords Costs to Maximize Profits:**Determine Price By Position:**

Often times the top ad position is losing money. To find out what the top position costs on Google AdWords you can enter \$50 as your bid price at the account setup process. The estimated cost per click would be how much that position would cost you assuming the standardized assumed click through rate (I believe this to be 1%).

You then can lower the bid price down until you get at position 2.0 then 3.0 and on down. Each time you get to a different integer you can look at the estimated click price to see what the click would cost assuming the standard click through rate. If you have a higher clickthrough rate the bid price for that position will be lower. If you have a low clickthrough rate your price will be higher.

Determine how Competitive a Market is:

Often markets shift rather quickly. If you notice certain ads appearing again and again over time they are probably ads that are generating profits. For a quick glance at how competitive a market is you can download the software product by the name of [AdWords Analyzer](#) (\$67).

You also will want to record the top 10 results every few days for a few weeks to up to a month. If an ad is in around the same position (and is not from a huge corporation) after a month has passed they are probably earning profits.

Listing Your ads on Top of Google Search Results:

While lower ad positions may have a better ROI in some markets they also may not provide adequate distribution to create significant profits. Google AdWords will occasionally list the top ad or two above the regular search results (versus off to the right side like most other AdWords ads). The top ads usually have a high clickthrough rate which helps lower click costs.

The ad position on the Google SERP right column is determined strictly by the equation $\text{max bid} \times \text{ad clickthrough rate}$. Before an ad can appear on top it has to be reviewed by a human and the ad has to be deemed extremely relevant. Relevancy is closely approximated by clickthrough rate, so the ads which display above the Google search results factor in clickthrough rate more heavily than max bid.

If you get an ad which is placed in a premium position and then edit it your ad may take at least a few days appear back in a top position.

Find the Best Products:

If you see a lot of affiliate ads then typically there is a dominant player or system in that keyword termspace. You may want to try purchasing your competitors product to see the whole sales path all the way through to the backend.

If there are more non affiliate ads than affiliate ads odds are that there is no dominant player / system in the marketplace yet.

Checking Broad Match, Phrase Match, & Exact Match:

Often times simply using exact match can drastically increase click through rates. To determine if a person is using exact match do a search for *keyword A adfkeafiljsadf keyword B*

If their ad still shows up they are using broad match. If their ads are showing up for nonsensical broad match searches then they usually have a decent click through rate and are making profits.

You then can search for *keyword A keyword B dfadfkadfa*. If their ad does not show up for the broad match check and shows up for this check they are using phrase match.

If their ad does not show up for the phrase match, then they are advertising via exact match. Any time you are checking competitors' ads you will want to refresh the screen multiple times as sometimes certain ads will not show.

Extreme Local Targeting:

Google will allow you to target your ads to:

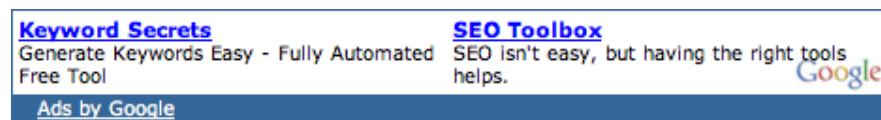
- any zip code or metropolitan area
- a radius near your business
- the defined coordinates of any polygon you enter

Using Syndication:

You can check if your competitors are using AdSense syndication on content networks by performing a search on Amazon.com and then clicking through to a product from that search.

If you set up ad syndication you can (and should) make separate ad campaigns for each level of syndication. Bid whatever you determine to be fair market value for the Google AdWords distribution. **On that ad campaign disable all syndication.**

Set up a second campaign and bid a slightly lower amount and enable search syndication but do not enable content syndication.



Since content ads do not have as much implied desire they usually have a value of only around 20-30% of what of ads displayed on Google. Set up a third campaign with a significantly lower bid and enable content syndication. You may also want to try using image ads to lock out competition from being able to advertise against you.

At any given time Google will only display one of your ads. By using three separate tiers you ensure you bid a price which is close to fair market value for each ad network while still maximizing the reach of your ads.

Syndicated ads do not appear on partner sites until they are approved by an editor.

How Google Determines AdSense Relevancy:

Google reads the content of AdSense publisher webpages to determine what their pages are about. When attempting to match ads with those pages Google considers:

- Not a single keyword, but the entire keyword list associated with an ad group.
- Adgroup creatives are also used to help understand what ads to display.
- Max PPC and clickthrough rate also play into the order of the ads displayed.
- You want to use well themed keyword adgroups to help ensure your ads are delivered properly. Including generic words like laptop can

make it harder for Google to understand what your adgroup is trying to sell.

- Using appropriate campaign negative keywords can also help further target your ads.
- Google offers effective contextual advertising tips in this [free 9 minute video](#).

Why Lower Ads Often have Better ROI:

The lower ads have a lower bid price. That can help save money if the top placed ads are overpriced. Another great benefit of having a lower ad is that a user that clicks on one is more prequalified to make a purchase. By scrolling through a bunch of ads they have displayed a greater intent to make a purchase.

These two mathematical facts often mean that listing at 5 or 6 often provides a better ROI than listing at the top. You will need to determine the profit elasticity for your market to see what ad locations will return the highest overall profits.

Lowering Click Price after Bidding:

After you get 10 or 20 clicks and have a decent click through rate you may want to slash your bids in half or by 2/3. Often it is best to start off with your ad around the #1 or #2 positions to collect feedback and then let it fall back after you drop ad price.

Expanding Breadth:

If you are running your ads correctly you the availability of well targeted ads should be what is limiting your spend. If your ad spend is limited by a budget and you are showing high for many of the search terms lower your max bid to lower the position down to 5, 6, or 7. In doing so you will be able to show up on more search results and people who are looking at the lower ad positions are more prequalified to buy.

Dynamic Keyword Insertion:

If you have a group of similar keywords that will still use the same body text you can enable this feature by writing out your normal body text, and placing {Keyword: default keyword} in the title of the ad.

When the keyword matching the search is greater than 25 characters the default ad title will show. Otherwise the ad will show the search term as the ad title. Also note how I capitalized the K and W in keyword. This makes the words in your ad title appear capitalized.

Having keywords in your title can help your title jump out at people and improve click through rates.

Google now also allows you to pass the referring keyword trigger as a variable in the actual destination URL. To pass the trigger keyword as a variable use &kw={keyword}.

Use Keyword Rich URL's to Your Advantage:

Often people view the URL as one of the most important parts of an ad. The ad title sticks out the most, but many people factor in the URL more than the copy. By changing your URL to a keyword rich URL you can sometimes raise your click through rate by 50 – 200%. A new throw away domain name only costs \$8 at [GoDaddy](#).

If you are selling an affiliate product through an affiliate link Google wants you to put “Aff” in your ad. The “Aff” being located in your ad can hurt your conversion rate by 10-20%.

You can register domains at GoDaddy and use [ZoneEdit](#) to redirect those domains to your affiliate link. Often times Google will not enforce the “Aff” rule if the link goes through one of your own domains.

If you have some high selling affiliates you may want to reward them by giving them their own keyword rich domain. This can also help some of your affiliates get their message through to customers since a few bad affiliates can get messages with your URL in it blocked from being received by people using AOL or similar email clients.

Bid on Competitors Names:

Trademark laws still have not been firmly set in this field. Google allows US and Canadian advertisers to bid on trademark names of their competitors. The competitors trademark names may not appear in the ad, but they can be used as the ad trigger word. I can tell you from personal experience that these terms are often super cheap and convert well.

If you use competitor names as the triggering word then you need to group that in an ad that is not using dynamic keyword insertion or your ad title will put you in trademark violation.

Keep in mind that since the laws are gray in this area you may run into some problems if you push the envelope and do not respond to complaints. I believe in the US trademark owners are required to inform you of the problem and give you a chance to fix it before they have a chance to sue you for damages (whether or not they can sue you is still somewhat up in the air).

I did this particular technique and ticked off about a dozen or two dozen SEOs who made a few hate threads. I primarily was looking for AdSense ad space in articles, but some of the SEOs had nasty comments about the technique (although it is a rather common technique).

You may want to ask people before using their names if you think they may take it the wrong way. Another good way to appear on many of the content sites is to run your ads on phrase match for some of the more popular article titles in your industry.

Viewing Geographically Targeted Ads:

Often people will target ads to a specific country. If you are not in the country you will be advertising in you can view the country specific ads by adding `&gl=country` code to the search string (ca for Canada, US for United States, UK for United Kingdom, etc).

If Google is mixing in state regional ads it will list the state name at the bottom of the ad.

Geotargeting can allow you to afford words which may be broader than your globally effective keywords since they geotargeting only delivers ads to locations you are interested in advertising at.

You may want to break your ads down by different price levels by country codes. One of my friends nearly doubled his ROI by placing ads from low converting countries in their own cheaper ad groups.

Sending Users to a Landing Page:

The conversion process works best when you remove unnecessary steps. By sending a user to a focused landing page versus your home page you can improve conversion rates.

Use Capital Letters:

Google will allow you to use capital letters at the beginning of words in the title and in the description. Using capital letters at the beginning of each word in your ad title and ad description can also help boost your clickthrough rate.

Split Testing:

Google will allow you to test multiple ads at any given time. Every week you should try to make a new ad and place it up against the best ad from the week prior. If you have an ad that is getting an exceptionally low click through rate and another pulling decent you can usually get rid of the bad ad after a few clicks on it.

Perry Marshall created a free online [Split Testing tool](#) which will help guide you using mathematics to determine if it is whether or not you have collected enough data do stop testing. He said he usually recommends waiting until it is at least 90% to 95% sure of the results (as determined by the software).

You can also make two copies of the same ad and send it to different URLs to test different landing pages.

When split testing you will want to turn off the auto optimization tool and you may want to limit the test only to Google so you can get the most accurate data.

If You Are Having Problems with a Word:

For your highest traffic and most expensive keywords you will usually want to make custom ads specific to each one. If you have a word that is giving you problems in an ad group, remove it from the ad group and set it out on its own.

Off the start you can try to exact match it for a while. If you try multiple exact match specific targeted ads for that keyword and still can not get it to run then that might not be a word worth running an ad for.

Cheap Traffic:

Some AOL users have type search term here in their search queries. Some of them accidentally run the word **here**Viagra or **here**YourTerm together. Some people search for stuff like NBA Basketball.com. There are a ton of cheap targeted traffic if you are creative.

Affiliate Ads:

Google only allows one affiliate or merchant ad per keyword per URL. This means that affiliates do not need to identify their relationships in the ads and whoever has the ad with the highest effective click price between the merchant and all of their affiliates gets their ad displayed.

Affiliates can still have their ads show up if they create white label affiliate sites with information about the products.

Getting Quicker Business Feedback:

When starting a B2B account it is often a bad idea to start an account on a weekend. Monday is usually the biggest spending day for most B2B purchases and is the best day to start your ads.

Lead generation is a smarter way to dive into Google AdWords than trying to sell affiliate products. Since it is common to have a lead generation rate of 10-20% the feedback loop is about 10 times as fast as selling a product that may convert at 1-2%.

Google AdWords Competitive Analysis Software:

Google does not give its users tons of information about competing sites. Recently a couple software products hit the market which ping Google and determine the ad display rate and average ad position for your ads and competing ads. You can use this information to see which competitors are most sophisticated and what positions have the most competition and perhaps profits.

[AdArchiver](#) is a cheaper lower end product. [AdGooroo](#) is a higher end more sophisticated system. Google also released an [API](#) which allows people to build interfacing software.

Additional AdWords Resources:

- Google offers a [free ebook](#) to help you get the most out of your Google AdWords account.
- Andrew Goodman's [Google AdWords report](#).
- Perry Marshall's [Definitive Guide to Google AdWords](#).

- Google Advertising Professional Program
<https://adwords.google.com/select/ProfessionalWelcome>
- Google's learning center
<http://www.google.com/adwords/learningcenter/>
- Many of the Google AdWords tips I learned came from Andrew Goodman's and Perry Marshall's reports.

Resources Cited

Literature:

- Overture Advertiser Workbook: (free)
<http://www.content.overture.com/d/USm/ac/tu/ebk.jhtml>
- Google's Maximum Effect Guide (free)
http://www.google.com/ads/library/maximum_effect_dec03.pdf
- Andrew Goodman's 21 Way AdWords Report (http://www.page-zero.com/products_asroi.asp?hop=awall19)
- Perry Marshall's Definitive Guide to Google AdWords
<http://www.selfstartersweeklytips.com/adwords-guide.htm>
- Google Advertising Professional Program
<https://adwords.google.com/select/ProfessionalWelcome>
- Google's learning center
<http://www.google.com/adwords/learningcenter/>

Software:

Customer Tracking & Bid Management

- ClickTracks - log file analyzer...awesome
<http://www.clicktracks.com/entrypoint.php?a=24688>
- Urchin – offers both log file analyzer and downloadable software
<http://www.urchin.com>
- Index Tools – web based tracking software (<http://www.indextools.com>)
- WebSideStory – (<http://www.websidestory.com>)
- ConversionRuler pay per click tracking (<http://www.conversionruler.com>)
- Extreme Tracking - free tracking software (<http://extreme-dm.com/tracking/>)

- SiteMeter - free tracking software (<http://www.sitemeter.com/default.asp?action=newaccount>)
- BidRank - downloadable bid management software (<http://www.bidrank.com>)
- KeywordMax – web based software (<http://www.keywordmax.com>)
- Atlas OnePoint - web based software (<http://www.atlasonepoint.com/?afid=gtazf411821>)
- Overture Search Optimizer (<http://www.content.overture.com/d/USm/ac/pr/so.jhtml>)
- Google also offers a free cross platform tracking product with AdWords which can track email ads, banner ads, and various PPC search engine ads.

Fraud Prevention Software

- Who's Clicking Who (<http://www.whosclickingwho.com/>)
- Click Auditor (http://www.keywordmax.com/click_auditor.html)

Keyword Suggestion Tools

- Digital Point Keyword Suggestion Tool (<http://www.digitalpoint.com/tools/suggestion/>)
- Keyword Discovery (<http://www.keyworddiscovery.com/>)
- Good Keywords (<http://www.goodkeywords.com/>)
- The Google Keyword Sandbox (<http://www.adwords.google.com/select/main>)
- Google Search Suggestion (organized by search volume) (<http://www.google.com/webhp?complete=1&hl=en>)
- Overture Keyword Suggestion Tool (<http://inventory.overture.com/d/searchinventory/suggestion/>)
- Overture View Bid Price Tool (http://uv.bidtool.overture.com/d/search/tools/bidtool/?Keywords=casino&mkt=us&lang=en_US)
- Country Specific Search Frequency (<http://www.seoindex.com/index.php?c=26>)

Keyword list creators

- Free web based (<http://www.related-pages.com/adwordskeywords.aspx>)
- Free downloadable software (<http://www.googedit.com>)
- \$50 downloadable software (<http://www.thepermutator.com>)

AdWords Analyzer

- Helps you see how many competing ads there are.
(<http://www.selfstartersweeklytips.com/adword-analyzer.htm>)

AdWords Competitive Analysis Software

- AdArchiver – cheaper competitive analysis software.
(<http://www.adarchiver.com>)
- AdGooroo – more expensive and more sophisticated software.
(<http://www.adgooroo.com/>)
- Google AdWords API (<http://www.google.com/apis/adwords/>)

Websites:

- ZoneEdit (<http://www.zoneedit.com>)
- Split Tester (<http://www.splittester.com/>)
- Overture \$10 Signup Bonus
(<http://www.qksrv.net/click-1209234-10289980>)
- Google Contextual AdWords Tips
(<http://www.google.com/adwords/context/webinar/1971/index.html>)

Large Pay Per Click Search Engines

- Google AdWords (<https://adwords.google.com/select/main>)
- Overture (<http://www.overture.com>)

Smaller Pay Per Click Search Engines

- FindWhat (<http://www.findwhat.com>)
- Kanoodle (<http://www.kanoodle.com>)
- Enhance Interactive (<http://www.enhance.com>)
- Search123 (<http://www.search123.com>)
- Epilot (<http://www.epilot.com>)

Some Notes

- Sign up for a Google AdWords account (one time \$5 fee which is converted into bid credits) (<https://adwords.google.com/select/main>)
- Write down 5 generic terms for your website. Check the traffic for these terms using the Overture Keyword Suggestion Tool. (<http://inventory.overture.com/d/searchinventory/suggestion/>)
- Search for these terms and view how much people are bidding using the Overture bid price tool. (http://uv.bidtool.overture.com/d/search/tools/bidtool/?Keywords=yourkeyword&mkt=us&lang=en_US)
- Do the words seem like they are worth their price? Do these prices surprise you?
- Check the price of these same words with your Google account. Are these prices close to one another?
- Write down 10 negative keywords for your site. Why are these words bad?
- Write down 10 phrases you think you can make a killing off of. Why are these phrases good? Check the prices, are you going to be overpaying for generic terms? If they are generic write down ten more terms and compare their prices.
- Before spending money on pay per click you should spend hours writing ad copy and many hours performing keyword research.
- If you intend to spend heavily on Google AdWords you may want to read the additional reports I linked to. You only need to find one or two good tips from a different perspective for those reports to pay for themselves.
- If you are interested in learning more about improving you organic SEO rankings and increasing your traffic today [buy The SEO Book](#). It will help you learn all about
 - Keyword research;
 - Choosing a search engine friendly domain name;
 - Placing keywords in your page copy;
 - Website submission;
 - Link building techniques;
 - Effectively using the best SEO tools;
 - Tracking your progress;
 - and many other important SEO topics.

Best of luck with your ads, your site, your career, and your life.

- Aaron Wall

