



CARDINAL**PATH**



WHAT YOU NEED TO KNOW ABOUT ADWORDS:
A BEGINNERS GUIDE

Get ready to learn how the millions of Google search queries conducted each day can help you effectively market your business.



What is Google AdWords?

Google AdWords is an online advertising platform that helps your organization attract new and untapped traffic to your website with the hopes of new customer acquisitions, resulting in increased revenue. Through its interface you can research keywords, create highly targeted ads and get them in front of interested customers on Google and its partner websites, while also controlling your online advertising spend through cost-per-click (CPC) bids.

With Google AdWords, you can choose where your ad appears, set a budget you're comfortable with, and measure the impact of your ad.

What are the benefits of Google AdWords?

Google AdWords helps you get in front of potential customers who are actively searching on terms that are related to your product, service, business or cause. You have the opportunity to reach people at the precise moment they're searching for what you offer. It significantly increases your online visibility by creating more awareness and engagement with your brand.

Additionally, Google AdWords can:

- help you improve your ROI (return on investment)
- make campaign management a snap
- increase advertising effectiveness
- reinforce the authenticity of organic search results
- help you learn what works and what doesn't



Example: Cardinal Path partnered with Rocky Mountaineer, a Canadian tour company, to propel their online efforts and increase their revenue through new guest bookings using Google AdWords.

Cardinal Path thoroughly analyzed their historic and current campaign performance and web visitor behavior, identifying the need to streamline their campaigns, tested multiple messages to determine those with the highest sales impact, and established clear targets and optimal bid management strategies to execute highly effective Google AdWords campaigns.

As a result, Rocky Mountaineer reaped the benefits with more efficient campaigns:

- 517% increase in ROI in Q1, 2014
- 24% YOY increase in revenue in Q1, 2014 vs. Q1, 2013
- 147% increase in engagement (brochure downloads/requests) in Q1, 2014 vs. Q1, 2013
- 41% decrease in cost-per-conversion and 59% increase in conversion rate in Q1, 2014

Based on Rocky Mountaineer's high performance, the tour company increased its total advertising budget, tripling its average monthly budget since 2011.

How does Google AdWords work?

When a person visits Google in search of a product or service, Google ranks and reports searches in a hierarchy based on billions of websites, and on an algorithm of words and authority, to find the most relevant listings related to your search parameters—words or string of words, location (geo-targeting, interests based past searches and visits to websites, etc.

Your ads can also be displayed on partner web sites. These ad placements are based on built-in parameters to help you determine the best time and place to connect with potential customers.



Example: Cardinal Path partnered with Safe Kids Worldwide, a global network of organizations aiming to prevent accidental childhood injury, to launch Google AdWords campaigns in an effort to raise global awareness among parents and caregivers.

Cardinal Path created new campaigns and built out keyword sets and ad groups to target parents with critical child safety information as they visited online platforms and portals. The campaign was designed to drive both unique and return visitors to the Safe Kids Worldwide website, while increasing newsletter and “We Believe” campaign sign-ups.

As a result, the Safe Kids Worldwide Google AdWords campaign helped the organization reach hundreds of thousands of parents in over 27 countries:

- Newsletter and “We Believe” campaign sign-ups jumped fourfold (from 5% to 20%), surpassing the growth rate of any previous Safe Kids Worldwide campaigns.
- Google AdWords traffic drove nearly triple the percentage – and total volume—of return visitors compared to organic search, which is the second highest source of Safe Kids Worldwide site traffic, while registering a lower bounce rate than any other traffic source.



How can I set up an effective Google AdWords campaign?

You can set your Google AdWords campaign up for success by following these basic fundamental steps:

- **Pick a targeted campaign focus:** When creating an online ad, you need to focus on a particular topic, region (geo-targeting), service or product, depending on your type of business or area of interest for customer acquisition. For example, if you are a restaurant, it could be competitively advantageous to focus on marketing a specific event/holiday or food specialty, to distinguish your business and offering from all others. Creating targeted campaigns, can be your competitive advantage. If your ads are too vague or not compelling enough, they will fail to attract the right audience of qualified leads to your website, that will fail to convert on your offer.
- **Incorporate cost-efficient, targeted keywords:** Begin with asking critical questions, “how would someone find my business online, which words or string of words would someone use to find your product or service? Create keyword lists that are relevant to your business and specific to your campaign’s focus. You should never rely solely on top keywords. Of course, the most popular keywords have the biggest search volume; however, every day, thousands of your potential customers use small-volume search terms for their queries. These types of keywords are called long-tail keywords, which represent about 70% of all search traffic. Leverage Google AdWords research tools to identify relevant keywords that drive high traffic volume with low competition; otherwise, you will have to pay more for clicks. The more competitive, the higher the cost per lead.
- **Incorporate a compelling headline:** Your online ad needs offer something compelling to the visitor to get a click-through rate. Headlines should grab people’s attention (25 characters or less) and descriptions should be very specific to motivate them to take action on your offer. A/B test one variable at a time-test variations on your headline, offer and landing pages to measure the best possible combination and outcome. This can help you measure conversions on the promise of your ad. You can A/B test headlines and conversion pages to come up with the right balance of message and content.
- **Convert your ad to a goal:** Your offer should drive traffic to a specific Landing Page to convert traffic to your offer. Landing pages offer you insight into the conversion traction from ad to goal. Your landing page should tie to your ad for consistency with titles, descriptions and messaging. Your landing page should follow best practices with clear calls to action text and buttons. The visitor should know exactly what action they need to perform and what they will get as part of the offer (e.g., fill out form, download guide, get free eBook).



What is Google AdWords Quality Score?

The quality score determines the quality of your ad, which helps determine your ad's rank and position in the search engine results pages. Its main purpose is to ensure searchers are presented with the most relevant information possible, resulting in a positive user experience.

The quality score (based on a 1-10 scale, 10 being the highest) is assigned to every keyword in a given campaign and it's based on multiple factors such as search term relevancy, click-through and landing page quality. If you have highly relevant keywords, expect high quality scores, a satisfactory user experience and lower costs, since clicks will be less. In the end, Google will reward you for your good ads, and you will achieve high performance.

How can I improve my Quality Score?

By improving your quality score, you improve your overall performance. You can improve your quality score in the following ways:

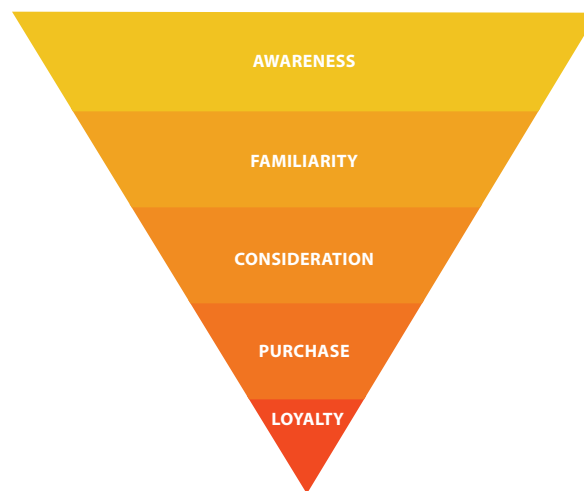
- Conduct a deep analysis: First, run a Google AdWords Keyword report to get a baseline of your current quality scores, determine your threshold for poor performance (e.g., 3 or lower) and identify your low performing keywords. Next, run a Google Adwords Search Query report to determine how relevant your keywords are to actual searched queries; this will also help you identify keywords that should be removed (negative keywords) or added to your keyword list. Relevancy is key.
- Review and improve your ads: Using the findings from your Search Query report, ensure your ads include relevant, high potential keywords as well as clear calls-to-action.
- A/B testing for the right variation of text and offer. Variables that you can test 1) Your Call-to-Action Buttons - You can make tons of iterative changes - color, copy, font, shape, placement - all which seem minor but could actually impact visitors' behaviors. 2) Your Content Offers - To determine which offer(s) brings in the most leads or even the most customers, try swapping out the offers you feature to see which ones perform best. 3) Test Your Headlines - Headlines are the main text featured on your landing page, so it makes sense to invest some time testing what the best copy or styling is for that prime real estate. You can measure visitor engagement, or measure clicks on the CTA.

- Utilize ad extensions: Ad extensions are types of ad formats that show extra information about your business (e.g., location). Use as many relevant ad extensions as you possibly can to improve your ad's performance (click-through rate).
- Track your performance: After making changes to your campaign(s), continually run reports to track your quality score adjustments. As you see improvements, your poor performance threshold will change and become much higher, and so will your performance.

What are the differences Between Search and Display Ads?

Google's Search Network: Search ads are ads that are served based on users' search queries. Search ad formats include text, video, image, WAP mobile, app or digital content ads, and more. These ads target users who are actively searching for products and services in various stages of the purchase funnel.

The purchase funnel is a tool used to understand and evaluate online customer behavior, ranging from brand awareness to brand loyalty. Advertisers use the funnel as a blueprint to create and launch marketing campaigns.



Often times, search queries that are more general in nature indicate customers are higher in the purchase funnel whereas more specific, "branded" queries usually indicate lower funnel customers. For example, if a user types in "sweater" in the search bar, she is most likely in the early "research/awareness" stage; however, as she continues her search she may type in a branded term, such as "J.Crew red sweater," which means she is moving to the "consideration" and possibly "purchase" stage. These branded keywords present advertisers with greater opportunities to target and convert engaged customers into buyers.



Google Display Network: Display ads are different than search ads as users are not actively searching for products or services. Instead, display ads are served to users while they visit sites, read blogs, watch online videos and even check their email. Most users tend to be in the higher funnel stages when they see a display ad. Thus, display ads are great marketing tools for generating brand awareness.

Display ads can be created in many types of formats including text, image, rich media/interactive and video ads. Advertisers leverage display ads on news sites, shopping sites, blogs and niche sites relative to the products and services they are selling to consumers. Display ads can be served to a broad audience or targeted to specific audiences based on content and behavioral/interest-based targeting.

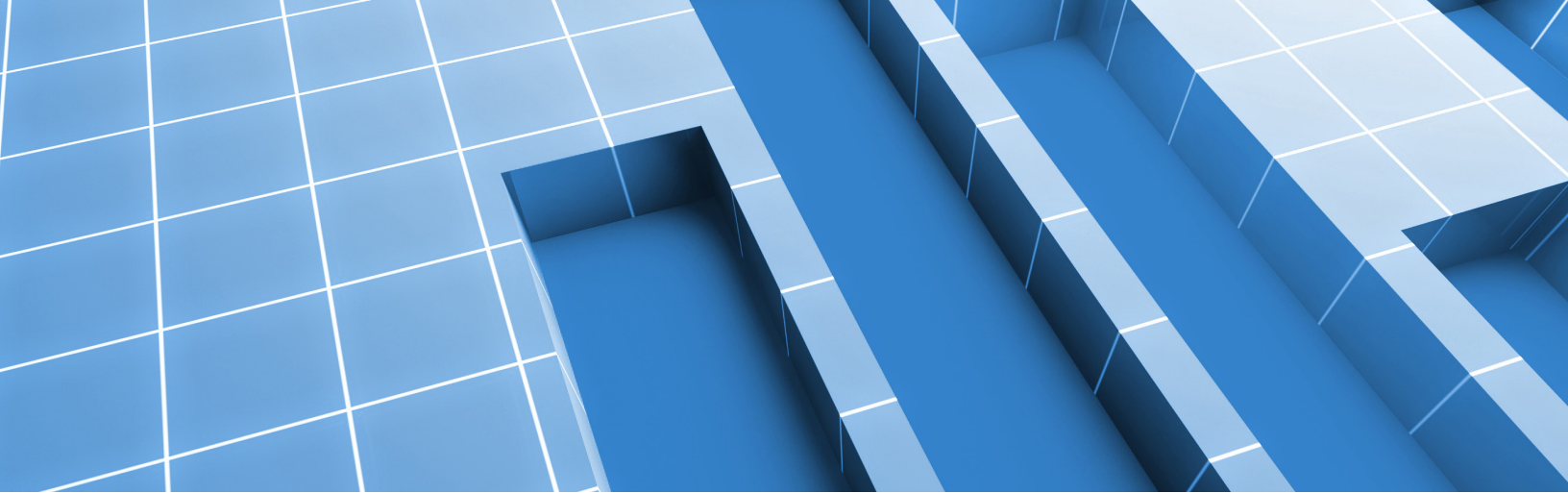
Should you use Search and Display Ads together?

Search and Display ads can be very complementary to each other. You can determine if you want to include both strategies in your marketing mix based on your overall marketing objectives and goals. For example, if your goal is to solely generate brand awareness you may just want to use display ads in the beginning; however, if you want to focus on pushing customers down the purchase funnel, display and search ads are a better option as they are more effective when used together. In fact, numerous studies cited in the Harvard Business School whitepaper, *Do Display Ads Influence Search? Attribution and Dynamics in Online Advertising*, prove display advertising helps generate more search volume, clicks and conversions over time.

As a beginner, do I start with Search or Display?

You can start with either search or display ads or both; the approach is highly dependent on your marketing goals and budget and what you are trying to achieve online.

Think of the customer journey as a roadmap detailing how a customer becomes aware of your brand, their interactions with your brand—and beyond. The customer journey is the complete sum of experiences that customers go through when interacting with your company and brand. Instead of looking at just a part of a transaction or experience, the customer journey documents the full experience of being a customer. Leads move through a customer journey from acquisition to education to conversion to retention.



It is important to remember that the totality of the experience for visitors can be greater than the sum of the individual parts. As someone starting out with online ads, don't try to boil the ocean and begin with the end in mind. Think about which option promises more bang for the buck and what the desired outcome is. Then begin a framework for your online marketing strategy and begin to build your digital footprint.

What is a good budget when beginning to use AdWords?

To start, there isn't a one-size-fits-all approach to creating a Google AdWords budget. Every business is different. Advertising spend varies based on business type, target audience and marketing goals.

The good news is that Google AdWords is based on CPCs, which means you are only charged when someone clicks on your ad, not when your ad appears, and you can determine how much or how little you want to spend on a daily and/or monthly basis. We recommend starting with a manageable, comfortable budget and then building upon it once you get a good feel for the Google AdWords platform, your placement opportunities and your ad performance based on your campaign goals.

It's important to keep an eye on your campaign and budget, so you aren't limiting your possibilities with a budget that is too small or wasting money with a budget too large.

How do I determine a budget?

Google AdWords lets you set a daily budget for a single campaign with the flexibility to change it at any time. Again, your budget is heavily tied to your campaign objectives. For example, if you are focused on driving clicks, you can estimate on average the ideal number of clicks you would like to realistically garner in a given day. For example, let's say your CPC is \$0.10 on average, and you would like to strive for a minimum of 100 clicks per day. You might budget \$10 per day (cost-per-click x clicks per day).

You can adjust your budget based on Google AdWords performance reports that provide you with additional insights (e.g., number of customers who connected to your business from your ad, keyword quality scores and more) to help you better manage your campaigns.



Glossary of Terms

- Search term (search query) - The word or phrase a searcher types into a search field, which initiates search engine results page listings and cost-per-click (CPC) ad serves. Keyword - The word or set of words advertisers create for a given ad group to target ads to customers.
- Ad position - The ad position is where ads are shown on a web page in relation to other ads.
- Impression - The number of times an ad is displayed on Google and other Google network sites.
- Click - A click refers to when a person clicks on an advertiser's ad.
- Landing page - The first web page a searcher arrives at, or lands on, after clicking on an ad. Landing pages prompt actions that determine an advertiser's conversion rate success.
- Conversion - A conversion is when a website visitor completes a desired action (e.g., downloads, signups, purchases)
- Click-through rate (CTR) - The number of clicks an ad gets, divided by the total number of times that ad is displayed or served. (total clicks/total impressions for a specific ad).
- Cost-per-click (CPC) - The amount search engines charge advertisers for every click that sends a searcher to an advertiser's website. For an advertiser, CPC is the total cost for each click-through received when its ad is clicked on.
- Max CPC Bid - The maximum amount you are willing to pay per click.
- Conversion Rate - The number of visitors who convert after clicking through your ad, divided by the total number of click-throughs to your site for that ad (total click-throughs that convert / total click-throughs for that ad)
- Cost-per-conversion (CPA) - The metric used to measure the total monetary cost of each sale, lead or action from start to finish.
- Quality Score - A number assigned by Google to paid ads in a hybrid auction that, together with maximum CPC, determines each ad's rank and search engine results position. Quality Scores reflect an ad's historical CTR, keyword relevance, landing page relevance, and other factors proprietary to Google.
- Ad Rank - A value that is used to determine your ad's position on a search results page. Your maximum CPC bid and your keywords' Quality Score determine ad rank.

Cardinal Path's hands-on Google AdWords Training:

Whether you're new to Google AdWords or a seasoned ad split-testing guru, hands-on training is one of the best ways to make the most of AdWords. Our comprehensive series takes you from the basics of setting up your first campaign to complex keyword bidding strategies and conversion optimization, enabling you to make the most of both your time and ad dollars.

ADWORDS 101

Our hands-on Google AdWords training focuses on how Google AdWords works, how to create and structure your account, and how to create a campaign from start to finish. Quizzes and real-world examples using live accounts help make the learning tangible and memorable.

ADWORDS 201

This Google AdWords 201 training course picks up where AdWords 101 leaves off, focusing on display advertising formats as well as managing and optimizing your Google AdWords search campaigns to power your performance objectives.

We will take a close look at enhanced campaigns, diagnostic and campaign expansion tools, optimization techniques, and Google AdWords display advertising capabilities. And to be sure that you get a good feel for how it all fits together, we will work live from the interface using real-world account data. This includes integrating Google Analytics with your Google AdWords campaigns to truly measure the return on your advertising investment.

Why Cardinal Path?

Cardinal Path is a recognized leader in helping Fortune 500 companies achieve online marketing success. Cardinal Path Training consultants are true experts in the field of search marketing and analytics, as well as seasoned teachers — we've trained over 50,000 Analytics and AdWords users worldwide.

Using a combination of humor, enthusiasm and deep, real-world technical savvy, our trainers deliver engaging content and expert advice that is both useful and usable. Whether you're a novice or a pro, you'll leave our training seminars with practical tips and tools you can implement immediately to boost your marketing ROI.

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Cardinal Path is a premier digital data analytics firm that works with the world's most prominent organizations to create, implement and action advanced analytics. Known for its industry leadership with tools such as the Online Analytics Maturity Model, a framework for assessing enterprise-wide analytics maturity, Cardinal Path comprises dedicated teams of award-winning analysts, statisticians, academics, developers, and many of the top minds in the digital marketing space. We help our clients unlock the value of their data, sharing all that we know and empowering people to make confident business decisions for sustainable growth.