

Moving to Google AdWords

A Hands-On Guide for Premium Advertisers

Google™

After just five years in business, we're gratified to have become the search engine people prefer. But that doesn't mean "mission accomplished." Since 1999, we've also developed search-based advertising programs. You already know our first product, Google Premium Sponsorships.

In 2002 we introduced our cost-per-click (CPC) ad program, Google AdWords.™ Because of market response (and what AdWords advertisers have told us), we believe this CPC model is the one that yields the best results for advertisers. Google AdWords gives you the ability to reach more customers, target your creative with precision, and control your campaigns with better tools. And people looking for information on the web get even more relevant ads, so it's a win-win for advertisers and users alike.

We're here to help you take full advantage of this newer, more sophisticated advertising platform, which brings you numerous benefits including:

- commitment to developing one product for advertisers
- rapid delivery of the features you request
- one account team optimizing one type of campaign
- a single console for account management

You can expect to make this transition to Google AdWords with informed and responsive customer service. Of course, we will honor the terms of all existing Premium Sponsorship contracts, even as we help you move to AdWords.

Please know how much we value your business and appreciate your support. And do get in touch with me or your sales representative if you have any questions about this exciting change.

Best regards,

A handwritten signature in black ink, appearing to read "Tim Armstrong". The signature is fluid and cursive, with a large initial "T" and "A".

Tim Armstrong
VP, National Sales

Google AdWords

The screenshot shows a Google search for "cell phones". The search bar at the top contains "cell phones" and the "Google Search" button. Below the search bar, there are navigation links for "Web", "Images", "Groups", "Directory", and "News". The search results are displayed in a list format. The first result is a sponsored link for "Nationwide Direct Connect -- only from Nextel" from www.nextel.com. The second result is another sponsored link for "80% OFF. Buy cell phone accessories online." from www.cellphoneshop.net. Below these are organic search results, including a news item about "Incoming calls on cell phones free from today" and a link to "Howstuffworks 'How Cell Phones Work'". On the right side, there are three sponsored links for "AT&T Wireless Cell Phones", "T-Mobile - Stay in Touch", and "TracFone Wireless". An orange arrow points from the text "Google AdWords" at the bottom to the sponsored links in the search results.

Google AdWords

3 key benefits of AdWords

You pay only when someone clicks on your ad. It's called cost-per-click (CPC) advertising. That means you get qualified leads, not just impressions. You can track ROI through every campaign, on every ad or keyword. Minimum CPC pricing starts at 5 cents a keyword, and will never exceed a maximum price – your “bid” – that you set. To help you establish your pricing, AdWords suggests a maximum CPC that would put your ad for all your keywords in first position 90 percent of the time.

You get much more reach. Your ads run automatically on all Google properties, and you can opt for broader distribution through Google search partners, including AOL, EarthLink, Ask Jeeves, InfoSpace, and others. We also offer a network of content sites on which your keyword-based ads can run. These content-targeted ads appear on such partner sites as ABC.com, Knight-Ridder Digital, Reed Business Information, and more.

You can track results. You don't need to worry about impressions, total circulation, or having to ask where customers heard about you. With online reports available to you around the clock, you'll know exactly how many clicks you receive, how much you've paid, and the value to you by market segment, product, or offer.

But wait – there's more

You set your maximum daily budget. AdWords enables you to determine how much you want to spend each day by suggesting a daily spend level based on Google traffic history and the maximum CPC you specified. You set your maximum daily budget, and our ad system automatically ensures that over the course of your campaign you never pay more than your average maximum daily budget.

Prices are automatically reduced. Google's ad discounter automatically reduces your actual CPC paid to the lowest amount needed to maintain your ad's position and to stay ahead of your competition.


We reward relevance. We know that a relevant experience brings search users back again and again, which is why we measure ad relevance as clicks divided by impressions. And we reward high CTR with an improved position on the page.

Ranking is dynamic. Google dynamically positions your ad on our pages as well as those on our search and content partner sites according to this ranking formula: maximum CPC bid x CTR. Ads that perform well appear higher up, and you can never be locked out of the top position.

5 things that don't change

1. Text ads based on keyword queries
2. International targeting to 250+ countries, 14 languages
3. Four keyword targeting options
4. Test and revise offers, creative, and messaging anytime
5. Dedicated account management, including marketing expertise by vertical

5 things that do

1. Cost-per-click (CPC) pricing; no CPM, fixed placement or fixed budgets
2. Ad position and ranking determined by maximum CPC x clickthrough rate (CTR)
3. Wider ad distribution across the Google search network, plus content partners
-  4. Poorly performing ads (under 0.5 percent CTR) are automatically disabled
5. Shorter creative copy

 WHEN YOU SEE THIS ICON, PLEASE REFER TO PAGE 20 FOR ADDITIONAL INFORMATION.

7 steps to transition

Now is a good time to review your existing campaign with your sales representative to get the best possible results from Google AdWords.

1. Plan your campaign

Define your campaign objectives. Review what you need to accomplish: build sales, grow leads, generate memberships, drive subscriptions.

Determine your performance metrics. You can measure success by level of traffic, sales, leads, or data you obtain from other tracking mechanisms.

Know your customers. Your understanding of your customers can help you target the right messages, creative, and keywords to them.

Country and language targeting. Target your campaign to specific countries or domains for more than 250 countries in up to 14 specific languages.

2. Select keywords

Identifying many keyword variations enables you to pinpoint users looking for your product or service. Remember that general keywords (“installation,” “management,” “business systems”), including short words, adjectives, and many one-word keywords, typically generate many ad impressions, but fewer clicks and conversions. Ultimately, the better your keyword matching is, the higher your CTR, and the less likely that your ads will be disabled.

Be specific and relevant. Choose words specific to your product, industry, promotions and offers, and relevant to your target audience.

Use the words you own. Select corporate and brand names, product names, tag lines, core technologies, industry jargon and key partner names. You shouldn't use names or trademarks owned by competitors.


Target your geography. Include terms to find local customers. To reach non-English speakers, or advertise outside the United States, use Google's powerful country and language targeting options.

Use alternate phrases. Use all the words and phrases customers might use to describe your business or product, including plurals, synonyms and verb forms that your competitors may not think of.

 **Use keyword targeting.** Take advantage of broad match, exact match, phrase match, and negative keywords.


Use plurals and spelling variations. Common spelling variations, including misspellings and plurals, can increase the chances your ad will be displayed.

Check your keywords on Google. Perform a Google search on your new list of keywords, and adjust them based on the results you see. Don't forget to check your site logs to see which keywords your customers are using.

 **Group keywords.** Structure them by theme or category into specific ad groups. You might divide your campaign into several targeted groups and one catch-all, or create groups for lots of individual keywords. Then create ads for each group or keyword.

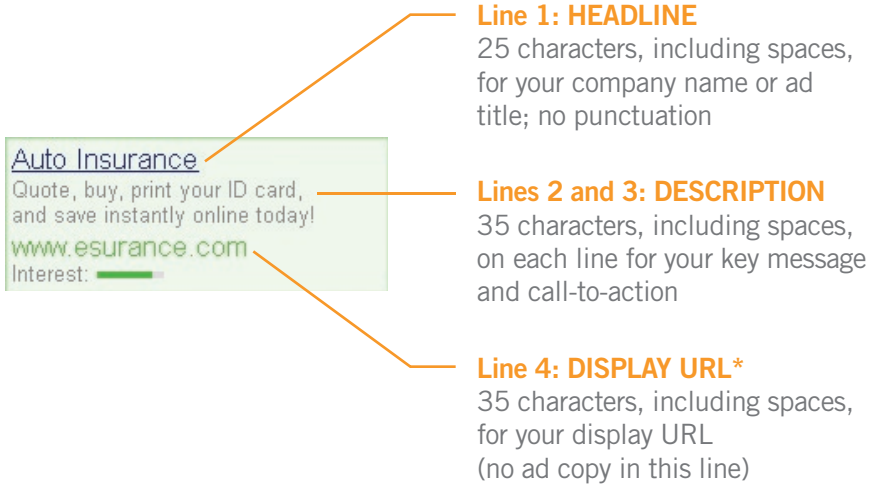
Get additional help. Your Google account team can help you refine or expand keyword lists, and can also help group keywords and select the best matching options. Our vertical market experts can provide direction on keywords that perform well for your industry.

3. Refine your creative

 As before, your text-based ads are prominent and easy to find. But AdWords creative runs in a smaller format. Because they must also meet our partners' requirements, additional guidelines apply.

For a complete list of creative guidelines, visit adwords.google.com/select/guidelines.html

Remember: it pays, literally, to be concise, accurate and verbally adept.



*The display URL can be different from your destination URL, but it should be related. The destination URL should not generate pop-ups, and should allow a one-click return to Google using the browser's back button.

Users respond to effective creative

Original - 1.6% CTR



Optimized - 3.4% CTR



Describe your offering accurately.

Set the right expectations in your offer.

No gimmicks. Avoid overbearing, overused tactics that devalue your message.

Relevant keywords up front. Ensures Google users see that your ad is relevant to them.

Short, concise wording. Avoid space-fillers like “welcome” or “online,” which are discouraged in the ad description and not allowed in the headline.

Clear, specific call to action. Give your users something to do (“Buy,” “Download,” “Enter”).

Emphasize unique benefits. What sets you apart? Refer to benefits and top ratings.

Triple-check grammar and spelling.

Multiple creative. Target distinct messages to a group of related keywords. Create as many ads as you like for each ad group, so you can test and track easily. When someone searches on your keywords, multiple AdWords ads rotate evenly.

4. Confirm your ad distribution

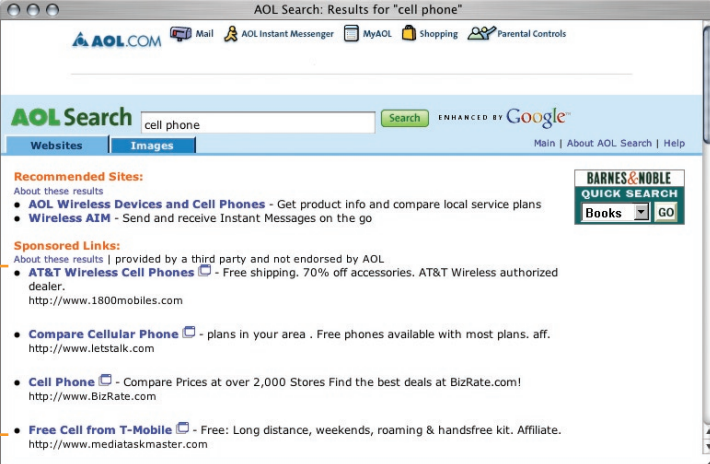
AdWords placement

AdWords ads appear on search results pages of Google properties, including Google.com, Google Directory, and Google Groups. Up to 10 different ads are displayed on each page of a given search. If there are 10 or fewer ads on the first page, the same ads are repeated on subsequent pages.

By default, your ads will also run on Google's network of search and content sites. The option to distribute ads on these sites in our network is set at the campaign level, so all the keywords and groups in a given campaign follow the distribution preferences you set.

Search sites in Google's network. Top-performing AdWords ads are eligible to run across search sites in Google's network including AOL, EarthLink, InfoSpace, Ask Jeeves, as well as on the Google Directory and Google Groups. The number of ads and their placement vary according to the design of the search site.

AdWords
on AOL.com



The screenshot shows a web browser window titled "AOL Search: Results for 'cell phone'". The browser's address bar and navigation buttons are visible at the top. Below the browser window, there is a list of sponsored links. An orange bracket on the left side of the page groups these links under the text "AdWords on AOL.com".

Recommended Sites:
About these results

- **AOL Wireless Devices and Cell Phones** - Get product info and compare local service plans
- **Wireless AIM** - Send and receive Instant Messages on the go

Sponsored Links:
About these results | provided by a third party and not endorsed by AOL

- **AT&T Wireless Cell Phones** - Free shipping. 70% off accessories. AT&T Wireless authorized dealer.
<http://www.1800mobiles.com>
- **Compare Cellular Phone** - plans in your area . Free phones available with most plans. aff.
<http://www.letstalk.com>
- **Cell Phone** - Compare Prices at over 2,000 Stores Find the best deals at BizRate.com!
<http://www.BizRate.com>
- **Free Cell from T-Mobile** - Free: Long distance, weekends, roaming & handsfree kit. Affiliate.
<http://www.mediataskmaster.com>

Content sites in Google's network. Building upon Google's successful keyword targeting technology, we place highly targeted ads on content web pages as well as on search-related pages. You can now reach customers who view web content that is directly related to your AdWords ads in addition to customers who search on your keywords.

For example, if users look up the weather forecast for Palm Springs on a weather site, they may see ads for deals on hotels and cars in that area. Or if users are reading about how an acoustic guitar works, they may see ads for hand-crafted acoustic guitars. Content-targeted AdWords benefit web users by linking content with relevant products and services. Current content sites include ABC.com, Knight-Ridder Digital, Reed Business Information and more.

Approvals for search and content sites. Search and content sites in Google's network may have additional ad requirements. For example, they may restrict ad copy or keywords based on their content policies or editorial standards. In addition, you may see your ads running on Google before they appear on other sites, because all ads go through a short approval cycle at Google before we distribute them. Finally, note that your ad rank is determined by your CTR on Google.com only, and not on other search or content sites.

The screenshot shows the Herald.com website interface. At the top, there's a navigation bar with links for News, Business, Sports, Entertainment, Living, City Guide, Shopping, Jobs, Cars, and Homes. Below this is a search bar and a date indicator for Tuesday, Jun 03, 2003. The main content area features a 'Basketball' section with sub-links for HEAT (Game schedule, Live scores, Heat forum, Player/coach bios, Statistics, Buy and sell tickets) and NBA (Eastern Conf. Standings, Western Conf. Standings, Statistics, Schedule, Injuries, Odds, Transactions). An advertisement for 'ADDITIONAL PRIZES PROVIDED BY' is visible, featuring Reebok, MOTHERS, and PREMIER logos. Below the ad is an article titled 'This NBA Finals rests squarely in Tim Duncan's hands' with a photo of Tim Duncan. A 'COACHING CAROUSEL' section is also present. On the right side, there are 'Shopping & Services' and 'Sponsored Links' sections. The 'Sponsored Links' section includes an ad for 'NBA Finals Tickets Here' with a red arrow pointing to it from the text on the right.

AdWords on Knight-Ridder sites, including the Miami Herald

5. Determine your spend

You're accustomed to negotiating a fixed price, setting an impression goal, and linking those elements to your budget. Now you'll achieve the same objectives in a more precise way: by setting cost-per-click (CPC) and specifying a daily maximum budget. It's also important to understand how click-through rate (CTR) affects your spend. With AdWords, you control all of these: maximum CPC, ad performance (CTR), and maximum daily budget.

Maximum CPC bids

You establish a maximum cost-per-click (CPC) between 5 cents and \$50 that you're willing to pay for individual keywords or a group of them. You'll never pay more than this amount for each click, and will often pay less, because Google's automatic discounter ensures you never pay more than 1 cent above what's needed to maintain your position. To help you, the Google AdWords system recommends a maximum CPC that we estimate will result in your ad being shown in the top position 90 percent of the time.

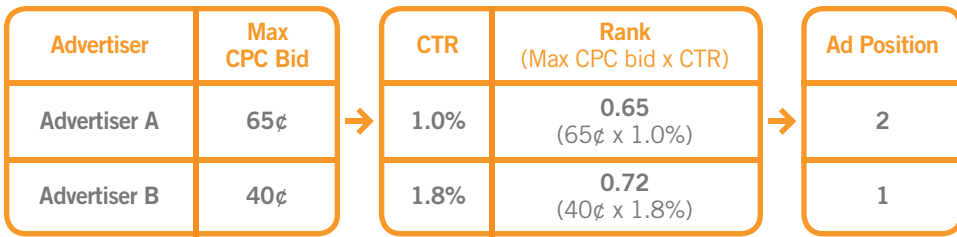
- 🔗 Based on Google's traffic history and your max CPC bids, the AdWords Traffic Estimator predicts how much you might pay per day. You'll also see your ad's estimated position. If the Traffic Estimator predicts too many/few clicks at too high/low a CPC to suit you, just change your maximum CPC.

Ad performance

Achieving a high CTR is important not just because it results in more visits to your website. It also affects your spending, and a high CTR can save you money. To see how CTR affects your costs, it's important to understand how ad ranking works.

How are ads ranked? Rank (or position) = maximum CPC bid x CTR. The higher your maximum CPC bid or CTR, the higher your ad's position.

In the following example, Advertiser A's max CPC bid is higher than Advertiser B's bid. However, B's ad achieves a higher CTR than A's (1.8% versus 1.0%), which helps B achieve a higher rank. B earns the top position on the page because its rank, at 0.72, is higher than A's rank, at 0.65.



Google’s ranking system rewards well-targeted, relevant ads, so you can’t be locked out of the top position as you could be in the ranking system based solely on price.

What is the actual CPC paid? Now that we know the rank of each ad, we can determine the actual CPC paid by the advertisers.

Advertiser B has a rank of 0.72 and has earned the first ad position. Google’s ad discounter ensures that the CPC it must pay to maintain the first ad position is just a penny more than what it would have to pay to achieve its next competitor’s rank, or 0.65.

We know that rank equals CPC times CTR, and we simply solve for CPC, which is 37 cents. (Actual CPC = .65 / 1.8% + 1 cent = 37 cents.)

Because Advertiser A is the second and last advertiser in this example, they simply pay the minimum CPC: 5¢.

Daily budget

You establish a maximum daily budget at the campaign level. The higher your budget, the more frequently your ads will be shown for your keywords. Our ad system suggests a daily spend level based on Google’s traffic history and the maximum CPCs you specified for your keywords, although you may change this spend level at any time.

- Traffic and delivery fluctuate from day to day, and your actual daily spend will vary as well. For a given day, your campaign may be under budget or up to 20 percent over budget. If you are over budget, our ad system automatically evens out delivery so that your actual daily average never exceeds your maximum daily budget.

6. Optimize and manage your campaign

Build landing pages that convert

Create customized landing pages for each keyword, ad creative, or group of ads, so that when users respond by clicking through to your landing page, they benefit from:

The most relevant page. For best conversion results, make sure the landing page pertains to your ad creative and features your keywords, so users see that it's relevant to them.

Intuitive navigation. Make it clear and easy for users to find what you promised in your ad.

A positive clickthrough experience. To encourage users to keep clicking, we require that your landing page be working at all times and enable users to return to Google search results by clicking once on their browser's "back" button. We also don't permit ads that generate pop-up or pop-under windows.

Test to improve ROI

Our system tracks CTR by ad creative, by keyword, and by ad group so you can make adjustments to see real-time improvements. For example:

- Test a variety of creative treatments for each ad group
- Disable all but the best-performing creative

Track ad performance

- Track ROI to help determine maximum bids that work best for your business
- Learn from page drop-offs and unfinished transactions
- Using cookies or other devices, link visits and conversions to specific ads

Finally, remember to be patient

By following these guidelines, you'll typically see immediate improvement, with more gains made over the course of your campaign. Valid results often take at least two to three weeks to emerge.

7. Learn to use AdWords online reporting and management

Google AdWords offers online reporting tools that include number of impressions and number of clicks for each ad and keyword over a specified time period. You can monitor campaign performance over a password-protected, secure connection whenever you like. You can also download your AdWords account information for any date range into a spreadsheet to help you analyze your account performance.

Current maximum cost-per-click: USD \$0.75 [Modify Price or Keywords](#)

Keyword	Clicks	Impr.	CTR	Avg. CPC (USD)	Cost (USD)	Avg. Pos
carnations	630	25800	2.4%	\$0.22	\$138.60	1.7
lilies	440	23740	1.9%	\$0.49	\$215.60	3.2
tulips	50	2000	2.5%	\$0.54	\$27.00	1.3
daisies	180	7500	2.4%	\$0.14	\$25.20	2.1
Subtotal: Search Ads	1300	59040	2.2%	\$0.31	\$403.00	1.9
Content-Targeted Ads [more info]						
Subtotal: Content-Targeted Ads	80	4370	1.8%	\$0.28	\$22.40	2.0
Overall	1380	63410	2.2%	\$0.31	\$427.80	1.9

Your next steps

- Discuss your marketing and campaign goals with your sales rep
- Select your keywords and targeting preferences and review your campaign structure
- Revise your creative
- Confirm your ad distribution preferences
- Determine your maximum CPCs and maximum daily budget
- Review AdWords billing and invoice process
- Discuss how the account team will work with you**
Every premium advertiser has an ad strategy team available at every stage of your campaign to answer questions and generate solutions that work for you. Please don't hesitate to contact your client service representative for help at any time.

Now you're ready to begin your Google AdWords program. We're confident you'll quickly see the positive results you're looking for, and we look forward to helping you get them.

Just a little more detail

Keyword matching options

Broad match. Your ad appears when the words in your keyword are contained in the query, regardless of their order and even if other words are also included. A broad match for the keyword **tennis shoes** would include **shoes for tennis** and **tennis dresses and shoes**. Broad matches are often best, because your ads will get more exposure.

Exact match. The search query must exactly match your keyword. So **tennis shoes** will only match a user request for **tennis shoes** and not for **red tennis shoes**, even though the second query contains your keyword.

Phrase match. Your ad appears when the user searches on the exact phrase, and also when their search contains additional terms, as long as the keyword phrase is in exactly the same order, with no additional words within the phrase. A phrase match for **tennis shoes** would include **red tennis shoes** but not **shoes for tennis** or **tennis type shoes**. In the case of one-word keywords, there's no difference between a broad match and a phrase match.

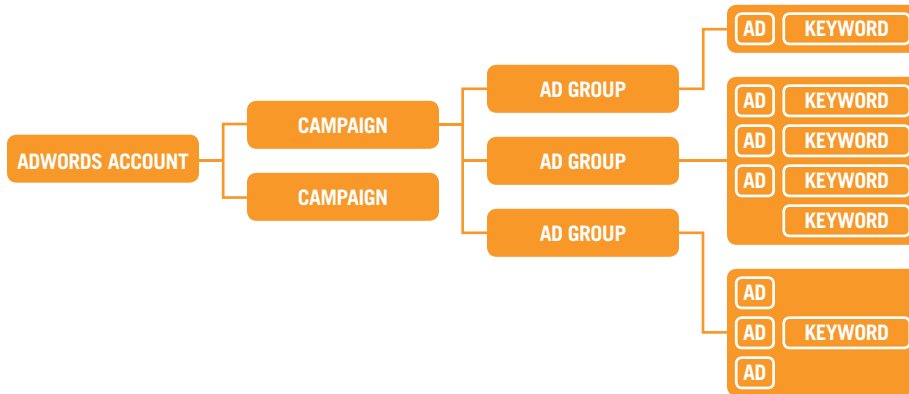
Negative keywords. Negative keywords enable you to eliminate searches that are not related to your message. If you add the negative keyword **-table** to your keyword **tennis shoes**, your ad will not appear when a user searches on **table tennis shoes**. Negative keywords should be used with caution: if applied incorrectly, they can eliminate large portions of a desired audience. Your Google account team can help you set up negative keywords effectively.

Disabled keywords

At Google, we want our users to enjoy relevant search results and relevant ads. Since CTR is our best measure of relevance and effectiveness, we look at your CTR after every 1,000 impressions. At that time, we may disable keywords if the CTR on Google is less than 0.5 percent. In addition, if the CTR for your account is less than 0.5 percent, we may slow delivery of impressions to give you and your account team the opportunity to optimize your keywords and creative for better results. To prevent re-insertion of poorly performing keywords, the performance history of your keywords is saved to your account. It's important, therefore, to invest time in developing the right keywords before you begin.

Account structure

- Maximum CPC and destination URLs assigned at either ad group or keyword level
- Creative is assigned at ad group level
- Group related keywords together and post them as separate ad groups
- Organize keywords into buckets based on maximum CPC



Billing options

We offer either end-of-month billing to customers with approved credit, or credit card billing. At this time, we do not offer the pre-pay or straight-line monthly billing options that were available with Premium Sponsorships. AdWords invoices include all AdWords campaigns associated with your account.

Daily budget

For advertisers who want as much exposure for their ads as possible, we recommend a daily budget slightly more than the estimated daily cost. This cushion prevents your ad from being undercut in the event of extraordinary traffic. You may choose to raise or lower your maximum daily budget, and you may adjust it at any time during your campaign. The daily budget is best used as a means to limit spending, not to increase ad delivery. It's designed to provide a cushion for extraordinary clickthrough rates or traffic.

Maximum CPC bids

While max CPCs are usually set for a group of keywords (an ad group), AdWords gives you the flexibility to assign unique maximum CPCs or destination URLs to individual keywords within the same ad group. While you still set a maximum CPC for the ad group as a whole, any individually assigned maximums will override the group CPC.

Google™