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How to Use Google AdWords
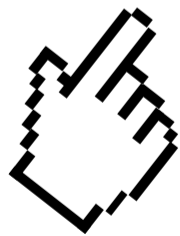
A Beginner's Guide to PPC Advertising

Table of Contents

Introduction

This guide is designed to provide you with a basic introduction to paid search and to give you a fundamental understanding of how to use paid search to drive more leads and customers for your business. We'll start off by explaining what paid search is and how it differs from organic search. Then we'll talk about the different ways you can use paid search, followed by how paid search works, some campaign strategy discussion, and finally, how to measure the effectiveness of your campaign with metrics.

A quick note: There are many search engines that support paid search campaigns. For the purposes of this ebook, however, we are going to focus mainly on Google and its paid search program, Google AdWords. If you have a solid understanding of Google AdWords, you'll be in a good position to understand how the other search engines work, since they have set themselves up in a similar fashion.

Paid vs. Organic Search

Search Engine Marketing (SEM) is a term used to describe the various means of marketing a website via search engines, and entails both organic search engine optimization and paid search strategies. Organic search is based on unpaid, natural rankings determined by search engine algorithms, and can be optimized with various SEO practices. In contrast, paid search allows you to pay a fee to have your website displayed on the search engine results page (SERP) when someone types in specific keywords or phrases to the search engine. The SERP will display the ads that you create to direct viewers to your site, and the fee you pay is usually based on either clicks on or views of these ads. In other words, you can pay to rank on sponsored search listings.

Organic and paid listings both appear on the search engine, but they are displayed in different locations on the page. On the next page, you'll see a diagram of a search engine results page that highlights the positioning of the paid links vs. the organic search results. According to HubSpot data, most searchers click on the organic results – in fact, over 70% of people click on the organic search results, while only 30% are likely to click on the paid links.

So does that mean you shouldn't bother with paid search? No, it doesn't! Paid search is a great option if you are not ranking well in the search engines with organic search alone. It is an extremely powerful tool and a valuable asset for enhancing your company's online presence. So let's dive in and find out how paid search can help your business.

PetFoodDirect.com: Pet Food Online | Dog & Cat Supplies ...
www.petfooddirect.com/ ▾
Online Pet Supplies, Dog Food, Cat Food and Treats available at PetFoodDirect.
com. Shop the BEST Selection of Pet Food, Pet Meds, Dog & Cat Treats, Toys ...
Dog - Cat - Pharmacy - Shop by Brand

Amazon.com: Food - Cats: Pet Supplies: Wet, Dry ...
www.amazon.com/cat-kittens-food-grain-free/b?... ▾   Amazon.com, Inc. ▾
Results 1 - 24 of 9757 - Online shopping for Pet Supplies from a great selection of
Wet, Dry, Dehydrated/Freeze-Dried, Food Toppers, Pet Food & more at ...

Dog and Cat Food, Treats, and Supplies | Free Shipping at ...
www.chewy.com/ ▾
Delivering pet happiness by conveniently shipping 400+ brands of pet food and stuff
(for free!) while ensuring at-risk animals' lives are improved across the ...

Best Place To Buy Cat Food Online - Wag.com
www.wag.com/html/sg/best-place-to-buy-cat-food-online.html ▾
Free 1-2 day shipping at $49+, great prices & 365-day return policy. Buy Best Place
To Buy Cat Food Online at Wag.com.

PetFlow.com: Dog & Cat Food Delivery - Pet Supplies & Treats
https://www.petflow.com/ ▾
Featuring top brands of dog and cat food, treats, and more with simple Auto-Ship
delivery. Get free shipping over $49 and never run out of supplies again!

Cat Food : Cats - Walmart.com
www.walmart.com/browse/pets/cat-food/5440_202073_1014999 ▾   Walmart ▾
Shop for Cat Food in Cats. Buy products such as Friskies Wet Cat Food, Savory
Shreds Variety Pack, 5.5 oz Cans, Pack of 32 at Walmart and save.

Where to Buy Our Dog and Cat Food - Purina ONE®
https://www.purinaone.com/dogs/products/where-to-buy ▾   Purina ONE ▾
Find out where to buy Purina ONE dog and cat food products. Our pet food is
available online and in store locations across the United States.

Cat Food - Natural Cat Food and Organic Cat Food ... - Petco
www.petco.com/Cat-Food.aspx ▾   Petco ▾
Shop petco.com for natural cat food. Find great deals on our huge variety of natural
and advanced cat nutrition.

Where To Buy Blue Buffalo Dog & Cat Food & Treats
bluebuffalo.com/store-locator/ ▾
Find BLUE dog and cat food at one of our trusted retail partners near you. Also see
our online retailer partner listings.

Cheapest place to buy pet food - Bargain Babe
bargainbabe.com/cheapest-place-to-buy-pet-food/ ▾
Mar 28, 2011 - Cheapest place to buy pet food offers tips on saving money every
day.

Yellow = Paid results
Green = Organic results

Searches related to where to buy cat food

buy Iams cat food   amazon cat food
buy science diet cat food buy Iams
buy organic cat food   buy purina
buy friskies cat food   buy fancy feast

How to Use Paid Search

Now that you have a fundamental understanding of what paid search is, let's talk about how you should use it. Note the emphasis on how you should use it, not how can you use it. The reason for this important distinction is that all too often, companies -- small businesses especially -- think that if they just pay to be on a search engine, they don't have to invest time and resources in search engine optimization to rank higher organically.

It's important to make clear that paid search is not a replacement for anything, but should instead be used to complement other inbound marketing strategies. Paid online advertising takes a lot of time and effort, a lot of resources, and a lot of management, and it's something you really need to invest in.

Let's take a look at some of the useful things you can do with paid search.

Landing Page Testing

One great way to use paid search is for testing and optimizing your landing pages. So, for instance, here's the search engine results page for 'cat food for older cats', and you see some paid results for this specific search query:

You can take that one ad and actually set it to go to two different destination URLs, and therefore, to two different landing pages. So for a cat food ad, you could have one ad going to a page with one offer (a guide on feeding techniques for your older cat), and the other to a page for another offer (an actual product page for cat food). You could also have the ad go to two different landing pages that are for the same offer. For example, if you wanted to test a feature of your forms, you could have two versions of the same landing page, each with a different form layout, and send the ad to each of those. This is called A/B testing, a very important and highly recommended practice for optimizing your landing pages.

Paid search is a great way to do landing page A/B testing because it allows you to direct traffic to your choice of pages, split this traffic to different pages, and ultimately find the pages that convert at the highest rate.

Finding New Keywords

In addition to landing page testing, you can also use paid search to find new keywords for your campaign. Google AdWords generates a Search Terms report that displays all of the keywords for which your ad has been displayed. In other words, if you are bidding on the keyword "red shoes", Google may serve your ad when someone searches "red tennis shoes." Even though you did not bid on the exact word, the keyword "red tennis shoes" will be included in this report because that's what the user searched. The report also contains information about the performance of each of the keywords, so you can determine if it's worth adding that keyword to your campaign.

Below is a sample Search Terms report. On the left hand side is the list of keywords. The ones that show the green 'Added' box next to them are the ones that are already in this paid search account.

| Campaigns | Opportunities | Reports | Tools |

All campaigns
Last 7 days: Oct 27, 2015 - Nov 2, 2015 ▾

| Campaigns | Ad groups | Settings | Ads | Videos | Keywords | Audiences | Ad extensions | Video targeting | Dimensions | Display Network | ▾ |

| Keywords | Negative keywords | Search terms |

Segment ▾   Filter ▾   Columns ▾   ↓   View Change History

Search terms
Learn how customers are finding your ad. With the Search terms report, you can see the actual searches people entered on Google Search and other Search Network sites that triggered your ad and led to a click. Depending on your keyword match types, this list might include terms other than exact matches to your keywords. Learn more

| Add as keyword | Add as negative keyword |

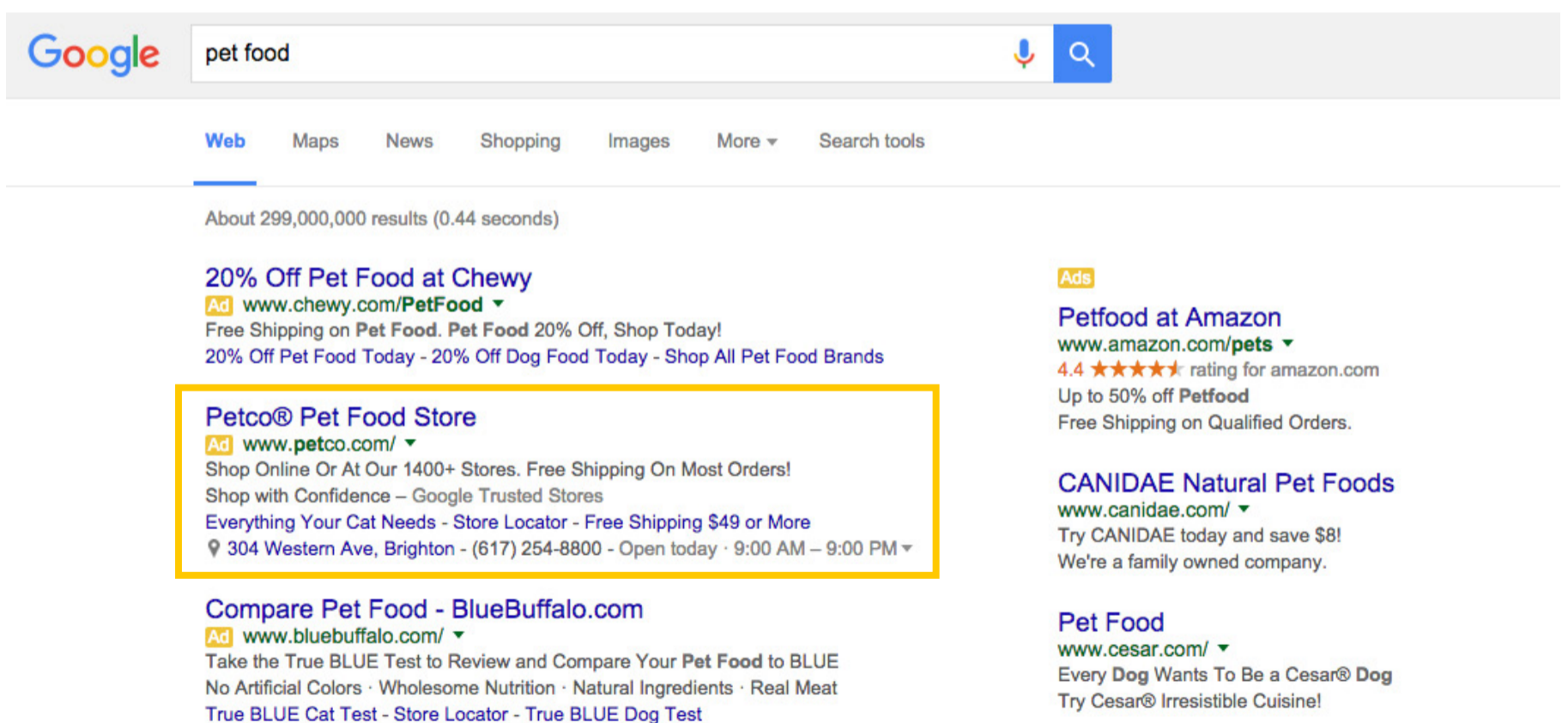| ☐	Search term	Match type ?	Added / Excluded ?	Campaign	Ad group	Clicks ? ↓	Impr. ?	CTR ?	Avg.
	Total								
☐	hubspot	Exact match	Added	Search Brand Name | SKA | 2015	SKA | HubSpot				
☐	hubspot	Exact match	Added	HSPD LATAM BR MQL	Brand				
☐	hubspot pricing	Exact match	Added	Search Brand Name | SKA | 2015	SKA 7 | HubSpot Pricing				
☐	hub spot	Exact match	Added	Search Brand Name | SKA | 2015	SKA 9 | Hub Spot				
☐	hubspot	Exact match	Added	HSPD LATAM ES MQL	Brand ES				
☐	what is hubspot	Broad match	None	Search Brand Name | SKA | 2015	SKA 11 | HubSpot Inbound Marketing				

The keywords that don't say 'Added' next to them are not currently included in the account. Again, this is a list of the keywords that people are actually typing into the Google search, so it is extremely valuable information. Take, for instance, the keyword 'search engine optimization tutorial' from the list above. That is an excellent keyword for my campaign and I'm not buying it yet. Not only that, but I wouldn't have known about that keyword unless I had generated this report! And to top it all off, I'm able to see that when somebody searches for this keyword and clicks through to my ad, they convert on one of my offers at a rate of 21%.

Now, this high conversion rate tells me not only that I should be buying this keyword, but also that maybe I should consider using this keyword for search engine optimization as well. Maybe I should make a landing page geared toward this keyword, or an offer built around this keyword. You should use the information in these Search Terms reports, and also in Google AdWords' Keyword Planner, to discover new keywords that will help you further optimize all of your SEM campaigns. For more information on keyword research, check out this blog post: How to Do Keyword Research for SEO: A Beginner's Guide.

Getting in the Game

Another great way to use paid search is to, as we say, "get in the game" and rank higher than your competitors. Let's look at PetSmart.com, which holds the number one ranking in the organic search results for the phrase "cat food". For the phrase 'dog food', they don't rank number one, but they're still above the fold, meaning that you don't have to scroll down to see the result when the page comes up. This is great, of course, but their high rank for these keywords does not mean they shouldn't bother running any paid search ads.

If you do a little research, you'll find that 'pet food' is also a big keyword in this space, and PetSmart ranks far below the fold for it. On top of that, they're not running a paid search campaign with Google AdWords either. But their competitor, Petco, does have a paid search campaign, and so their ad appears on the results page, while PetSmart does not. So this is a sample instance where running a paid search campaign makes a lot of sense.

Paid Search Can't Stand Alone

When you think about how you should use paid search, one of the best ways to think about it is to use it as a complement to your inbound marketing efforts. You can use paid search to maximize your coverage on the search engine's result page (SERP).

For instance, here we have the search term 'inbound marketing'. You'll see that there's an organic search listing for HubSpot that ranks second on the page (just after Wikipedia), but we're also buying the keyword 'inbound marketing,' which displays our paid search ad for it. So now we have that natural search ad, the paid one, and, if you scroll down the page, you'll find yet another organic search listing for HubSpot via SlideShare. This widespread coverage on the search engine results page for "inbound marketing" helps to establish HubSpot as an authoritative figure for inbound marketing and drives more traffic to our pages.

The good news is – you can do this for your business as well! Take the opportunity to establish your company as a leader in your industry by increasing your presence on search engines with paid search campaigns.

Now that you have some ideas for how to make good use of them, let's take a closer look at how paid search campaigns work.

HubSpot Inbound Marketing - HubSpot.com
`Ad` www.hubspot.com/ ▼
Learn How To Get More Leads. Get A Free **Marketing** Assessment!
24/7 Customer Support · Top Marketing Software
HubSpot has 48,749 followers on Google+
About Our Software - Custom Demo - Free 30 Day Trial - HubSpot's Free CRM

HubSpot | What is Inbound Marketing?
www.hubspot.com/**inbound-marketing** ▼ HubSpot, Inc. ▼
Instead of the old outbound **marketing** methods of buying ads, buying email lists, and praying for leads, **inbound marketing** focuses on creating quality content that pulls people toward your company and product, where they naturally want to be.

What is Inbound Marketing? - SlideShare
www.slideshare.net/HubSpot/what-is-**inbound-marketing**-29665969 ▼
Jan 3, 2014 - A short crash course in the fundamentals and benefits of **inbound marketing**.

How Paid Search Works

Keywords, Ads, & Landing Pages

There are three main elements of a paid search campaign: keywords, ads, and landing pages. You start out by giving Google a list of keywords, which tells Google to display your ads on the results page when people search for those keywords. You then design your ads to be shown for these keywords, and your goal is to make them both relevant enough to the search query and attractive enough to get the searchers to click on them. Then, when viewers click on your ads, the ads direct them to your landing pages. The goal of your landing pages is to get the visitor to convert in some way – by buying your product, downloading an offer, etc. So paid search really comes down to managing, matching, and optimizing these three things.

Pay-Per-Click (PPC) Bidding

If you've heard of paid search, you're probably also familiar with the term PPC, which stands for pay-per-click. This means that you don't pay for your ad to be displayed, and you don't pay when viewers roll over the ad with their mouse – you pay when somebody actually clicks on your ad. This is much better than paying per impression (called CPM) because your ad might be displayed 100,000 times and only one person clicks on it. CPM bidding doesn't make sense because you'd be running up your costs for essentially nothing. Instead, you pay for each actual click, and then the responsibility is on you to make use of that opportunity to convert the visitor.

Note: There is the option to pay per thousand impressions (CPM) with Google, but the only case where this would be a better choice than PPC would be for a "share of voice" campaign, which is when you're just trying to spread awareness of your brand. For the purposes of paid search, however, especially if you're just starting out, PPC is the better option.

So what determines how much you pay per click? Google uses an auction-style bid to set their prices. For any given keyword, you have the top bidder – let's say they bid $5 for someone to click on their ad. Then you have the next highest bidder who values a click at $4.50, another at $3.75, another at $3.00, and so on, all the way down to the last person who says that they value a click on their ad for that keyword at, let's say, $2.25.

$5.00
$4.50

20% Off Pet Food at Chewy
Ad www.chewy.com/PetFood ▾
Free Shipping on Pet Food. Pet Food 20% Off, Shop Today!
Shop All Pet Food Brands - 20% Off Pet Food Today - 20% Off Dog Food Today

Petco® Pet Food Store
Ad www.petco.com/ ▾
Shop Online Or At Our 1400+ Stores. Free Shipping On Most Orders!
Shop with Confidence – Google Trusted Stores
Everything Your Dog Needs - Everything Your Cat Needs - Store Locator
📍 304 Western Ave, Brighton - (617) 254-8800 - Open today · 9:00 AM – 9:00 PM ▾

Compare Pet Food - BlueBuffalo.com
Ad www.bluebuffalo.com/ ▾
Take the True BLUE Test to Review and Compare Your Pet Food to BLUE
No Artificial Colors · Natural Ingredients · Wholesome Nutrition · Real Meat
True BLUE Cat Test - Store Locator - True BLUE Dog Test

PetFoodDirect.com: Pet Food Online | Dog & Cat Supplies ...
www.petfooddirect.com/ ▾
Online Pet Supplies, Dog Food, Cat Food and Treats available at PetFoodDirect.com.
Shop the BEST Selection of Pet Food, Pet Meds, Dog & Cat Treats, Toys ...

Ads
$3.75
Petfood at Amazon
www.amazon.com/pets ▾
4.4 ★★★★✩ rating for amazon.com
Up to 50% off Petfood
Free Shipping on Qualified Orders.

$3.00
CANIDAE Natural Pet Foods
www.canidae.com/ ▾
Try CANIDAE today and save $8!
We're a family owned company.

$2.50
Pet Food
www.cesar.com/ ▾
Every Dog Wants To Be a Cesar® Dog
Try Cesar® Irresistible Cuisine!

$2.25
Pet Supplies Plus
www.petsuppliesplus.com/ ▾
Your Neighborhood Pet Specialty
Store. Get Your Coupon Now!

Now, these are not the prices you actually pay for each click. Instead, the lowest of these bids is used as the price for the least valuable (least visible) spot on the results page, and then each spot going up in value (more visible placements) is priced at an incremental dollar value higher (we'll use a $.05 incremental bid for this example). So in this case, the top bidder ends up paying only $2.50 per click, even though they bid at $5.00.

$2.50
$2.45

20% Off Pet Food at Chewy
Ad www.chewy.com/PetFood ▾
Free Shipping on Pet Food. Pet Food 20% Off, Shop Today!
Shop All Pet Food Brands - 20% Off Pet Food Today - 20% Off Dog Food Today

Petco® Pet Food Store
Ad www.petco.com/ ▾
Shop Online Or At Our 1400+ Stores. Free Shipping On Most Orders!
Shop with Confidence – Google Trusted Stores
Everything Your Dog Needs - Everything Your Cat Needs - Store Locator
📍 304 Western Ave, Brighton - (617) 254-8800 - Open today · 9:00 AM – 9:00 PM ▾

Compare Pet Food - BlueBuffalo.com
Ad www.bluebuffalo.com/ ▾
Take the True BLUE Test to Review and Compare Your Pet Food to BLUE
No Artificial Colors · Natural Ingredients · Wholesome Nutrition · Real Meat
True BLUE Cat Test - Store Locator - True BLUE Dog Test

PetFoodDirect.com: Pet Food Online | Dog & Cat Supplies ...
www.petfooddirect.com/ ▾
Online Pet Supplies, Dog Food, Cat Food and Treats available at PetFoodDirect.com.
Shop the BEST Selection of Pet Food, Pet Meds, Dog & Cat Treats, Toys ...

Ads
$2.40
Petfood at Amazon
www.amazon.com/pets ▾
4.4 ★★★★✩ rating for amazon.com
Up to 50% off Petfood
Free Shipping on Qualified Orders.

$2.35
CANIDAE Natural Pet Foods
www.canidae.com/ ▾
Try CANIDAE today and save $8!
We're a family owned company.

$2.30
Pet Food
www.cesar.com/ ▾
Every Dog Wants To Be a Cesar® Dog
Try Cesar® Irresistible Cuisine!

$2.25
Pet Supplies Plus
www.petsuppliesplus.com/ ▾
Your Neighborhood Pet Specialty
Store. Get Your Coupon Now!

Quality Score

While your bid does play a large role in determining whether or not your ad is served for a given keyword, Google also uses something called "quality score" in making these decisions. Quality score is an algorithm that scores each of your ads for relevancy – it looks at how closely your keyword relates to your ad and how closely your ad relates to your landing page content. In other words, Google actually scans your landing pages to ensure that you're not just buying keywords and directing them to totally irrelevant pages.

Google's motivation for including quality score in the evaluation of each keyword is to provide an optimal user experience for their searchers. It used to be that ad placement was determined solely by bids, but then someone could easily bid on "toothbrushes" when they were really selling lawn mowers. Google introduced quality score to make sure that the ads they were displaying were always relevant to the search terms, and to keep their advertisers in check.

So how does it work? Quality score is on a scale of 1 to 10, with 1 being the lowest rating and 10 being the highest. What this means is that if your competitor bids on a keyword at $5 and has a quality score of 4, and you bid on that same keyword at only $3 but you have a quality score of 7, Google may give you the top position for the price you bid because your ad is more relevant. It makes more sense to serve your ad because its higher relevancy makes it more likely that viewers will click on it.

Low Quality   **High Quality**

0   1   2   3   4   5   6   7   8   9   10
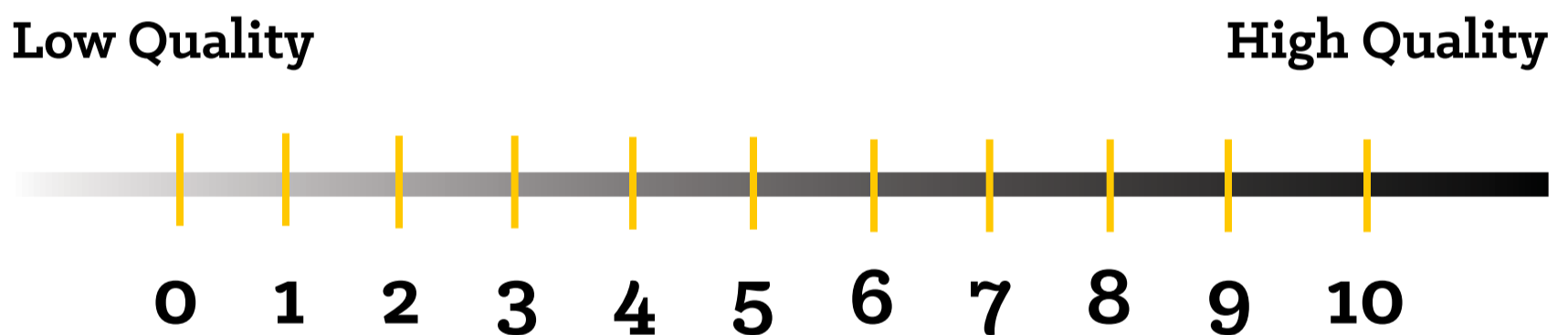
Quality score can also help you determine what keywords are cost-efficient for you to use. Let's say, for example, that you have a site about fitness tips and you bid on the keyword "nutrition". If you find that you have a low quality score, it may indicate that the content on your site is not relevant enough to compete in that space, and it's not a cost-efficient channel for you. You can use this information to optimize your choice of keywords.

If you want to set yourself up for a successful PPC campaign, show Google how tight you can make the relationships between the keywords you're bidding on, the ad copy that you're displaying, and the landing pages you're directing to. (We'll discuss strategy for optimizing each of these in the next section.) If you can do this, Google will see that you really know what you're doing, and they'll be far more likely to put your ad in that top position for the least amount of money possible.

Keyword Match Types

When it comes to when your ad is displayed, you don't just want to pick a certain group of keywords and have the ad shown only when those keywords are entered into the search engine. Since there are an infinite number of ways that people can actually search for one term, Google has three keyword match types that you can use to give them more specific instructions for when to display your ads. These are: exact match, phrase match, and broad match.

Let's say, for instance, someone searches for the term "red men's tennis shoes with Velcro." A keyword set to exact match will only display your ad if the search term includes that exact keyword, with the words in that exact order. So, for example, if I have the keyword "red men's tennis shoes" on exact match, and someone searches for "red men's tennis shoes with Velcro," my ad will not be displayed, since there were other words included, making it not an exact match. My ad would only be displayed if the search query was exactly "red men's tennis shoes." Exact match keywords are surrounded in brackets, such as:

[red men's tennis shoes with velcro]

A keyword set to phrase match will display your ad if the search term contains the same order of the words, but it can also contain additional words. So if I have the keyword "red men's tennis shoes" on phrase match and someone searches for "red men's tennis shoes with Velcro," my ad will appear. However, if they search for "men's red tennis shoes with Velcro," it will not appear. Phrase match keywords are surrounded in quotation marks, such as:

"men's tennis shoes"

Lastly, a keyword set to broad match will display your ad when the search term contains any or some combination of the words in your keyword, in any order. Your ad could also show for other variations of the words, such as singular/plural forms, synonyms, etc. If I have the keyword "red men's tennis shoes" on broad match, my ad could appear for the search terms "red men's tennis shoes with Velcro," "men's red tennis shoes with Velcro," "tennis shoe laces," "women's red shoes," and so on. Broad match keywords are not surrounded by anything, and would just be left as:

men's velcro shoes

Additionally, Google allows you to set keywords to a negative match type to help refine your keyword strategy. This allows you to avoid having your ad displayed when a given search term is entered. For example, if I set the keyword "used" to negative match, my ad won't show for any searches that contain that word, such as "used tennis shoes." Negative match keywords are preceded by a minus sign, such as: -used.

Your Google AdWords Strategy

Keyword Strategy

So you have these keyword match types that you know can somehow help you optimize your campaign strategy – but how do you know which ones to use and when? There are multiple strategies for setting match types, and there is no one correct solution. We'll discuss some general practices, but keep in mind that you'll have to check out your own performance metrics to determine what's working for your campaign and what isn't.

The value of setting keywords to exact match is that you can target a very specific search audience. However, if you're only bidding on exact match keywords, you've very narrowly defined your target, which sharply limits your reach, so chances are you're not going to get a lot of traffic. This is because there's no way to know exactly what terms people are going to search for, and if you try to guess at a list of exact keywords, even if it's a long list, you'll likely be missing out on tons of potential leads and customers that are using different search terms.

To avoid this issue, a popular strategy is to start with all keywords set to broad match, which opens up the floodgates to traffic. Now, a high volume of traffic may be a good thing, but you have to make sure that it is qualified traffic. In other words, say, for example, someone searches for "Velcro" and your ad for "red men's tennis shoes with Velcro" appears. The viewer may click on your ad, but because the search term that sent him to it was so general and vague, the likelihood that he will convert to a lead on your offer is significantly lower. This is because the likelihood that he was actually looking for red men's tennis shoes with Velcro is much lower than it would be for someone who searched for that term, or something closer to that term.

Yet, many people are easily misled by the quantity of the traffic they drive with broad match keywords, and they don't look at the reporting to evaluate quality. Oftentimes, they're ranking on totally irrelevant keywords and driving unqualified traffic from them, which just wastes their money.

This is why it's extremely important, if you set your keywords to broad match, to closely monitor what search queries are coming through. Don't forget, you can use negative match to add negative keywords when necessary.

A good keyword strategy is to use broad match and phrase match to drive traffic, then use the Search Terms report to find the keywords that convert well and make sense for your business, and set those to exact match, because they've been proven to work.

The best thing to do to figure out your match type strategy is to just keep testing. Use your performance metrics to optimize your keywords, which could include adding and deleting keywords or changing their match types. It's an ongoing process. Keyword performance will change over time, and your campaign strategy should change with it.

Account Structure

The structure of your actual account in Google AdWords is critical to the efficiency and success of your paid search campaign. So you have your keywords, you have the list of keywords that you're buying, and then you have the ad that you want to show when somebody types in one of those keywords. Now I want to group together the keywords for which I want my ad to be displayed, so that I can create highly relevant ad copy for these keywords and increase the likelihood that the searchers are going to click through.

I can do this by creating a grouping of related keywords in what is called an "ad group." So let's say I have the keywords "tennis shoes," "best tennis shoes," and "shoes for tennis." I can create a "Tennis Shoes" ad group, put those keywords in the ad group, and create an ad that is closely targeted to those keywords. Then if my company also sells other kinds of shoes, I can set up more ad groups, maybe for "Walking Shoes" or "Running Shoes."

Ad Group	Keywords	Ad Copy
Tennis Shoes	tennis shoes best tennis shoes shoes for tennis red tennis shoes	Tennis Shoes Shop The Largest Selection Of Tennis Shoes. Free Shipping! www.acme.com/tennis-shoes
Walking Shoes	walking shoes black walking shoes mens walking shoes walking shoes for women	Walking Shoes Shop The Largest Selection Of Walking Shoes. Free Shipping! www.acme.com/walking-shoes

Let's say my company also sells shirts, though. Google lets you structure your account on one more level as well, and that is by "campaign." So I can take all of my ad groups for shoes and put them in a "Shoes" campaign, then create another campaign for "Shirts," with its own ad groups, keywords, and ads.

It's important that you structure your account in such a way that your keywords and your ad copy are tightly woven together. Then you can use your ad groups and your campaigns to keep them nicely bucketed together and better organized.

Campaign	Ad Group	Keywords	Ad Copy
Shoes **$500/Day**	Tennis Shoes	tennis shoes best tennis shoes shoes for tennis red tennis shoes	Tennis Shoes Shop The Largest Selection Of Tennis Shoes. Free Shipping! www.acme.com/tennis-shoes
Shoes **$300/Day**	Walking Shoes	walking shoes black walking shoes mens walking shoes walking shoes for women	Walking Shoes Shop The Largest Selection Of Walking Shoes. Free Shipping! www.acme.com/walking-shoes
Shirts **$200/Day**	Polo Shirts	red polo shirt golf polo shirt polo shirt for golf button down polo shirt	Polo Shirt Shop For Acme Polo Shirts. 25% Off Sale & Free Shipping! www.acme.com/polo-shirts

Setting Your Budget

When you pay Google for your PPC campaign, you don't whip out your credit card every time someone clicks on your ad. Instead, you set a daily budget on the campaign level. So for each campaign, you can dictate how much money Google can spend on those ad placements per day. I can say, I want to spend $300/day on my shoe campaign and $200/day on my shirt campaign, and Google won't exceed those amounts.

What if all that money is spent in only an hour or two? After all, if you have highly relevant or very popular keywords, you do run the risk of blowing through your budget quickly. Well, Google also offers a feature that allows you to request that your budget be spread out throughout the entire day. This works well for brands that want to establish a presence throughout the day.

The daily budget cap is certainly a reassuring feature, especially for those who are just starting out with paid search. You can set a low budget when you get started, slowly begin measuring success and lead quality, and try your hand at optimizing your campaign before you really invest a lot of money in it.

Optimizing Ad Copy

Now, just because you set a daily budget of, say, $500, doesn't mean that the entire budget will be spent every day. Google will try to spend your full daily budget, but the ability to do so ultimately depends on your keywords, but also on the effectiveness of your ad copy. If you can't get anyone to click on your ads in the first place, you're not going to be paying anything. This is why your ad copy is critical to an effective PPC campaign.

When it comes to creating your ad, there is essentially a formula for it, since Google limits the number of characters you can use. The four numbers you need to remember are: 25, 35, 35, 35.

	Example ad	Limit for most languages	Limit for double-width* languages
Headline:	Example website	25 characters	12 characters
Description line 1:	Summer sale	35 characters	17 characters
Description line 2:	Save 15%	35 characters	17 characters
Display URL:	www.example.com	255 characters (35 shown)	255 characters (17 shown)

Image Source: Google

You have 25 characters for the title or headline, which is displayed in blue text as the first line of the ad. Then you have 255 characters (35 shown) for the display URL (also called the "vanity URL"), which is not the actual URL to which your ad directs viewers, but is simply for display purposes. For example, if my ad is about polo shirts, I could set the display URL to be www.acme.com/polo-shirts, even if this isn't the site to which I'm redirecting. The URL to which you actually direct clicks to your ad is called the "destination URL." These will often be longer and may contain tracking codes, which makes them messier – so of course, you wouldn't want these displayed in your ads anyway.

Then you have two description lines of 35 characters each. You'll notice in the sample ad above that there are actually a few incentives there. The first line informs viewers that they can shop for polo shirts, a more general piece of information, whereas the second line is a call to action for a special offer -- 25% off and free shipping.

Headline	——	Polo Shirt
Description line 1	——	Shop For Acme Polo Shirts.
Description line 2	——	25% Off Sale & Free Shipping!
Display URL	——	www.acme.com/polo-shirts

This is the typical format of a paid search ad, but Google has been doing a lot of testing, so if your ad is displayed at the top of the search results, it may look more like the one below. Here, Google consolidates the title, URL, and the first description line into a banner format.

Whichever ad structure you're working with, make sure you maximize use of the limited number of characters you're given, and make your ad as effective as possible.

Measuring Your Success

Defining the Four Basic Metrics

Now you have your ads, your keywords, and your account structure, and you want to optimize all of these. Well, the only way to optimize your campaign is by using the metrics and reporting that Google provides. Let's take a look at the main metrics you should be paying attention to, and why each is so important.

There are four basic metrics that are important for paid search: impressions, clicks, conversions, and spend.

An impression is a single instance of your ad being displayed when someone types in the search keyword for it. So you can consider the number of impressions to be roughly the number of people who look at your ad, or at least the number of viewers to whom the ad is served.

A click is an instance of a viewer actually clicking on your ad once it has been displayed. This is distinct from the number of impressions because it requires that the viewer actually clicks on your ad, not just that your ad is displayed.

A conversion is an instance of a viewer that saw your ad, clicked on it, and took the action you intended for them to take once they got to your landing page. This action could be downloading an offer, purchasing your product, etc. When you set up your account, you put some tracking code on your website that lets Google know when someone has completed an offer or bought something, so they can keep track of conversions.

Spend is simply the amount of money that you have spent on your campaign so far.

Combining the Four Basic Metrics

These 4 basic metrics are important to track, but the analytics that will be the most critical for optimizing your campaign are actually derived from combinations of these simpler ones. These include: click through rate, conversion rate, cost per click, and cost per acquisition.

Click Through Rate (commonly abbreviated as CTR) is the percentage of impressions that turn into clicks. The more this percentage goes up, the more efficient your campaign is.

$$CTR = Clicks/Impressions$$

Conversion Rate is the percentage of clicks that turn into conversions. This is also a metric that denotes increasing efficiency as it goes up.

Conversion Rate = Conversions/Clicks

Cost Per Click (or CPC) is the amount of money you're spending on each click. You can find the average CPC by dividing the total spend by the total number of clicks. This is a cost metric, so improving efficiency means decreasing this number as much as possible.

CPC = Spend/Clicks

Cost Per Acquisition (or CPA) is the amount of money you're spending on each conversion. You can find the average CPA by dividing the total spend by the total number of conversions. Again, this is a cost metric, so you want to keep lowering this number.

CPA = Spend/Conversions

Just remember – the higher your percentage metrics and the lower your cost metrics, the more efficient your campaign will be. It's a good practice to set goals for your campaign performance in terms of these metrics. As you continue optimizing your keywords, ads, and account structure, monitor these metrics closely and use them to measure the performance of your campaign as you work toward reaching your goals.

Final Thought

Conclusion

After reading this ebook, you should have a solid understanding of how paid search works, and a strong foundation to create and manage a paid search campaign for your business. Here are a few important takeaways to remember:

- Paid search is based on a pay-per-click (PPC) model.
- Account structure is critical. Organize your campaigns, ad groups, keywords, and ad copy appropriately.
- Aim for high quality scores to increase performance and reduce costs.
- It's easy to waste money, so be careful how you choose to spend it.
- Use paid search to compliment your inbound marketing. Focus on mastering inbound marketing first – blogging, driving leads, understanding search engine optimization, etc. Find out what keywords are directing traffic to your site from organic search results, and use these to inform your choice of keywords for paid search.
- Always be optimizing! There's never a shortage of ways to improve your paid search campaign. Keep making improvements so you can drive your performance up and your costs down and ultimately run a successful PPC campaign.

Next Step:
Boost Your PPC Game. Get a Demo of HubSpot's Ads Product

http://offers.hubspot.com/ads-demo