

Google Adwords FAQ

By Pierre Levasseur
Lucid Web Marketing

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

**You may give this report away
(in fact we encourage it),
but you may not sell it or alter it in any way.**

ALL RIGHTS RESERVED. No part of this document may be reproduced or transmitted in any form whatsoever, electronic, or mechanical, including photocopying, recording, or by any informational storage or retrieval system without express written, dated and signed permission from the author.

DISCLAIMER AND/OR LEGAL NOTICES: The information presented herein represents the view of the author as of the date of publication. Because of the rate with which conditions change, the author reserves the right to alter and update his opinion based on the new conditions. The document is for informational purposes only. While every attempt has been made to verify the information provided in this report, neither the author nor his affiliates/partners assume any responsibility for errors, inaccuracies or omissions. Any slights of people or organizations are unintentional. If advice concerning legal or related matters is needed, the services of a fully qualified professional should be sought. This document is not intended for use as a source of legal or accounting advice. You should be aware of any laws which govern business transactions or other business practices in your country and state.

Copyright February 2010 by Lucid Web Marketing

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Introduction

Hard to believe but Adwords has been around since 2002 in its current form. I've been using Adwords since then and other pay-per-click search engines soon followed.

Over those years, much has been said and written about Adwords. Most of it has been people's opinions or perceptions, many times misguided or just plain wrong. This of course hasn't helped advertisers, confusing them, from the one-man operation to large ones. Another factor is that Adwords has evolved and will continue to evolve. What was true just two or three years ago may not be completely accurate today. Advertisers not only must be aware of that fact but also keep up and adjust as necessary.

This FAQ was created to help set things straight. Although titled Adwords FAQ, a lot of what I say here also applies to other pay-per-click search engines as well. But it does concentrate more on Adwords because Google is the search engine used by more people than any other. It is therefore logical that most advertisers will use Adwords to leverage Google's huge amount of traffic.

FAQ stands for Frequently Asked Questions, in case you were wondering. This report takes the approach of someone asking a question, one that many have asked before, and answering it the best I can. I hope those answers will be both informative and help you build better and more profitable campaigns.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

What is Adwords?

Before answering this specific question, it would be best to explain the "chain of command" leading to Adwords. It will also serve as a dictionary of frequent terms encountered when dealing with Adwords, terms that every search engine marketer should know. The important words will be highlighted in blue.

Let's start with what [search engine marketing](#) is. Put simply, and the term is pretty much self-explanatory, it is using search engines to promote (also known as advertising and marketing) your business. Since search engine marketing is so long to type, you will more likely see its abbreviation, [SEM](#). When spoken, each letter in SEM is pronounced individually and not as a word that sounds like "same".

Also, don't confuse SEM with affiliate marketing, which is something totally different. Affiliate marketing is simply promoting other people's products (referring those products) in exchange for a commission when those referrals buy the product, although some times, the referrals simply need to fill in a form. Most affiliate marketers make use of SEM to promote those products or generate traffic to their site.

Why use search engines? Since most people find web sites by going to search engines first, unless they already know the name of the site, it makes perfect sense to use and leverage search engines to help people find your site.

SEM is the umbrella term for the activities in marketing your site on the Internet. There are in fact two main activities in doing this. One is [search engine optimization](#). SEO, which is the term most commonly used and understood by all experienced search engine marketers, is simply trying to get the search engines to rank a page as high as possible for particular keywords. [Keywords](#) are the terms people type in search engines when looking for sites. When typing in "golden bird cage", they naturally expect to be shown results, a list of sites related to that subject.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Since people click more often on sites that appear high in the results, it makes sense to try to rank there. In fact, marketers use terms such as "ranking on the first page", the first page understood as the top ten results returned by the search engines, since most show ten results per page. You will also hear the terms [organic rankings](#) or [natural rankings](#) when talking about the results of SEO efforts.

SEO is seen as being free since you don't pay to be ranked. The truth of course is that counting your time and efforts to be ranked well means there is a cost involved with SEO activities. Some site owners hire SEO specialists and the monetary cost can be in the hundreds for just one page over the life of that page.

It is important to note that pages are optimized individually, not sites, and that SEO activities can take months before producing the desired results. There are also two distinct activities within SEO itself, [on-page](#) and [off-page](#) optimization which is simply getting other sites to link to yours or placing those links on other sites yourself such as in your signature when commenting in a forum. Many call these [backlinks](#).

The second major activity of SEM is [pay-per-click](#) advertising, or simply [PPC](#). All major search engines have a self-serve PPC program where advertisers create ads and select the keywords they would like their ads to be triggered on. These ads are commonly called the [sponsored results](#). Only when someone clicks on the ad is the advertiser charged. The amount depends on what you and competitors are willing to pay for the keyword. It can never be higher and is usually lower - sometimes much lower depending on factors I'll discuss later.

Each search engine calculates this amount differently but most follow a Vickrey-style auction where the winning bid pays the amount of the next highest bid. In a Vickrey auction, the winner may have bid \$100 with the next lowest bid at \$90, so the winner pays only \$90. In pay-per-click auctions, the advertiser typically pays one cent more than the bid placed by the advertiser below him, although as you'll read later, this is an oversimplification.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

The position the ad is shown among other advertisers also depends on the search engine. Some are straight auctions where the highest bidder gets the top position and so on all the way to the last ad. Others, like Google, have systems taking into account the ad's click rate as a measure of quality. In fact all major search engines are now following Google's lead and reward the positioning of ads based on bid and click rate. How they do so depends on each engine's exact formula but the basic principle is the same.

[Adwords](#) is the name Google chose for its PPC advertising program. Yahoo has one called [YSM](#) for Yahoo Search Marketing and MSN (now Bing) also has one called [Adcenter](#). There are literally dozens of other PPC programs offered by search engines, as well as social sites such as Facebook, but these are the "Big Three" as they command 90% or more of the search engine market.

Adwords should not be confused with [Adsense](#). Adwords is for advertisers. Adsense is for publishers, the program where you, as a site owner, can display Adwords ads on your site. In return, Google pays you a portion of click revenues generated from your site. This is the program people talk about when saying things like "make money with Adwords". What they most likely mean is making money with Adsense because that's the program that pays you. Technically speaking, you can't make money with Adwords. You use Adwords to advertise (implying a cost) in order to attract potential visitors to your site. Only when you get a visitor from Adwords, or any other PPC program for that matter, can you monetize that visitor by selling them something.

In short, Adwords and all other PPC programs are a form of advertising.

A relatively new term is [Social Media Marketing](#) (SMM). It has little to do with SEM per se since there is no search engine involved although it could help in your SEO efforts. You therefore may want to consider it as part of your overall online marketing plan.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

PPC Terms and Definitions

There are a few more terms used in Adwords and PPC in general that you should all be familiar with. I use them in this report a lot and I assume you do too. If not, this section is where you will get definitions.

Content Network. All sites that display Adwords ads (signed up to the AdSense program to generate revenues), are part of the content network. Other PPC search engines use the same or very similar term.

Conversion. Typically, a conversion is any time that a visitor to your site buys something. However, a conversion could be anything you want to track and not necessarily a purchase. You may want to track downloads of a free document or software which may not involve a monetary exchange or sign ups to a free newsletter.

CPC is cost per click. There really is two CPCs. There's the maximum CPC, which is in effect your **bid** for a keyword. The other is your actual CPC, the real cost when someone clicks your ad. As mentioned previously, you can bid a certain amount of money and that is the maximum you are willing to pay. However, the real cost can be lower. So if your maximum CPC (your bid) is \$1, your actual CPC may only be \$0.80.

CTR is the click-through rate or simply the click rate. It is the number of times people click on your ad divided by the number of times your ad was served, the impressions. Expressed as a percentage and therefore will fall somewhere between zero and 100 percent.

Impression. The number of times your ad is served. If your ad is in position 15, which is the second page on Google that shows eight to eleven ads per page, one impression is counted when the searcher went to that page. If he didn't go to that page, no impression is counted. Most PPC search engines use this term although you may also see viewings or servings, a term I use myself.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Landing page. The page the visitor will land on when clicking your ads. You can specify any existing page for a click to land on. Most PPC systems call this the **destination URL**.

Long tail/short tail. A keyword of two or three words is said to be short tail - it has few words, it is short. In fact, I hate the term keyword because it suggests only one word when in fact, it should be a phrase. I therefore prefer keyphrase but it's not catching on. The more words, the longer it becomes, hence, why it is called a long-tail keyword. There is no set number of words that makes a keyword a long tail. If a keyword describes a product or service with three words, and more cannot be added, I suppose it can be considered a long tail.

Position. The position relative to other advertisers that your ad appears, its rank.

Quality Score. The **QS** is the term Google uses to represent the quality of your ad and is used as part of the calculation to determine the position of your ad among other advertisers as well as in the price calculation. Yahoo uses a similar concept and calls it the Quality Index. See below for more detailed explanations.

Search Network. The Google search engine itself. Google also has **search partners** that access their database and are considered part of their search network. See also Content Network.

SERPs: Search Engine Result Pages. These are the organic or natural results displayed after a search. They are the free listings. Ten of them are usually shown although you can specify more. When talking about the first page of the SERPs, it is understood that we are talking about the first ten results since that is most search engines' default setting. When talking about **sponsored** results, which are the ads, the first page are in Google the first eight results but may include up to three more appearing above the SERPs. Different search engines have different ways and numbers of showing them.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Does Adwords Work?

Adwords is not a straight bidding auction. You can be the highest bidder for a keyword, yet, not get the top spot. The position your ad appears in is determined by two factors: your bid and the quality of your ad.

The quality of your ad is called **Quality Score** by Google. There are many factors involved in calculating the **QS**, which I'll discuss later, but for our purposes at the moment, let's assume that it is the quality as measured by your click rate. In fact, it is estimated that your ad's CTR is responsible for at least 65% of your QS. Let's take five advertisers, their bid in cents, their CTR and resulting ad rank:

Advertiser	Bid	CTR	Ad Rank
A1	30	6.7	201.0
A2	28	5.5	154.0
A3	25	5.4	135.0
A4	25	4.9	122.5
A5	20	5.1	102.0

The two factors, bid and CTR, are multiplied together which results in a number called the ad rank. If you have a CTR of 4.3% and bidding \$0.25, your ad rank is 107.5 (4.3 times 25). In order for someone to be placed higher than you, their ad rank calculation would have to be more than 107.5 and can be achieved by increasing their bid or increasing their click rate. If their CTR is only 2%, their bid needs to be at least 54 cents. However, if their CTR was 5%, they only need to bid 22 cents to be ranked higher and only 16 cents if it was 7%.

In other words, Google rewards advertisers for creating good quality ads that people click on. It is therefore best to get higher click rates as much as possible since your bid can remain the same or be lowered to get the same ad ranking you did before, not to mention getting more traffic at the same or lower cost. In fact, as we will see next, your

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

actual cost will go down. It is therefore very important to understand the ranking system. Sure, you can always increase your bid to achieve a higher ranking and (possibly) better results. But smart advertisers know they can achieve those same results at lower costs simply by improving their ads.

Note that this explanation is simplified. CTRs are actually normalized to remove the effects of position, since absolute CTR is affected by an ad's position. But the basis is as explained: ads are ranked by multiplying the advertiser's maximum bid with the ad's (normalized) CTR.

By the way, every major PPC advertising system does it this way now. Yahoo, MSN and many others have followed Google's lead because it places every advertiser on the same level, no matter how much money each is willing to pay. You can be ranked higher than someone bidding more than you simply by having a better quality ad.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

What is Quality Score?

So far, I've assumed the quality of an ad to be only its CTR. That was good enough to demonstrate how Adwords works. The reality is a little more complex.

Google uses what it calls the Quality Score instead of only the CTR to measure the quality of an ad. In fact, saying the quality of an ad is technically wrong. While we do talk about the quality of an ad, it is really the quality of the combination of the ad and keyword. The QS is calculated for each keyword-ad combination. The same keyword will therefore have a different QS for each ad in that group.

So which one is used to show you a QS, which Adwords shows at the keyword level, when you have many ads? Google simply averages out all the quality scores for all active ads. Of course, that means the QS for a keyword cannot be better than your best ad but neither can it be worse than your worst ad. It is also a reason you should test only two ads at a time. Having four or five ads with two bad ones will drag down your overall QS on a keyword.

While Google has never said exactly how the QS is calculated, they have dropped some hints:

Quality Score is made up of three major components: the keyword's CTR, the relevancy of the keyword to the ad and landing page and finally, other factors of the landing page. What we don't know for sure is the weight of each component. Again, Google has dropped some hints and has said that the CTR component is by far the largest.

We all know by now what the CTR is. We know it has the biggest weight of the three components and we figure it to be at least 60% and almost surely no more than 66%, two thirds. The exact percentage doesn't really matter; the QS calculation can change and the weight of each component can be adjusted as new components are added or they decide to change the weight of one component. What matters is that by having the most weight, it makes sense to pay

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

more attention to CTR than other components.

Not to say that the other components should be ignored. Relevancy of the keywords to the ads and landing page is extremely important too. It likely represents at least 25% and no more than 30% of the QS. Get it wrong and there is no way you can get a QS of ten or even eight for that matter.

Relevancy should be the easiest to achieve a high score on. All an advertiser has to do is choose keywords that describe the product or service they are selling. Logically, that keyword should be mentioned in the ad. Unfortunately, time and time again I see advertisers messing it up and get a poorer QS as a result.

Every day I see ads advertising a product or service which have nothing to do with the search term I typed. Other times, if I happen to click on an ad, out of curiosity and therefore costing that advertiser, I land on a page which, again, either has nothing to do with my terms or little of what I expected based on what the ad said and the keywords I used. I see this with new clients as well. In fact, more than half of clients already running a campaign have poor keyword to page relevancy.

Your keyword is either relevant or it is not. This of course as judged by the Adwords software. Therefore, since keyword relevancy is 25% of the QS, if your keyword is judged relevant, you have one quarter of your QS taken care of. So if your page is selling dog food, use “dog food” as a keyword and not cat food. If you are not relevant, you are wasting a quarter of your QS. It would be impossible to get a perfect ten and almost impossible to even get a seven.

Although I know better, I assume we all pass the relevancy test with flying colors thereby leaving only CTR. That is why I say QS is in effect your click rate and if you increase your CTR, you will increase your QS.

One must remember however that, at least partially, the QS is

Dramatically increase your profits. Learn all my secrets with my book [“Building PPC Campaigns That Get Results”](#) or [let me manage your campaign for you.](#)

calculated by a computer. Computers don't think like us and there's always the possibility of it encountering something out of the ordinary. This happened to me recently with the lowest of possible quality scores on a new campaign. Being an expert, I scratched my head trying to figure out why and called Google. They admitted there was a problem in the way the QS was calculated and it was fixed. However, this kind of episode happens very rarely. It was in fact the first time it happened to me after having managed dozens of campaigns involving thousands of ads and tens of thousands of keywords. The point is, don't go off the deep end and thinking that Google doesn't know what it's doing. It does know for the vast majority of cases. Your job as an advertiser is to figure out what you are doing wrong. Check your keyword-ad-landing page relevancy. If that looks good to you, concentrate on increasing your click rate.

The third and final major QS component is the landing page itself. This is not having the keywords you used on your page, that part is handled by the relevancy component. This component is other on-page factors and it represents only about 10% of the QS.

The only thing Google has made public about it so far is how fast your page loads. This may be a large portion, up to 50%, of the landing page component, hard to say. If so, your page's loading time would represent no more than 7% of the total QS. In other words, if your page loads more slowly than the average, your QS will not suffer tremendously. It may mean a QS of nine instead of ten.

As for the rest of the page component, many assume you need an About Us/Contact kind of page and that could indeed be true. It's not a bad idea to have those pages whether the QS takes those into consideration or not.

Others say you need to think in SEO terms and have lots of unique content and backlinks. Of this, I am entirely not convinced. PPC is not SEO and your QS being affected by backlinks is ridiculous and illogical. Even if I'm wrong, the weight of it would not affect your overall QS in a significant manner.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

More on Quality Score

After two pages and a half explaining Quality Score, you'd think I'd have nothing else to say on the matter. But there is a few other things you should know and keep in mind about the QS.

In the previous sections, I showed how Adwords ranks ads by using your bid and CTR to calculate an ad rank. This ad rank in turn is used to calculate how much each advertiser pays. As mentioned, Google does not use CTR but QS. The calculations are all the same, simply use QS instead of CTR as I have done in those calculations.

But the QS you see in your account is a whole number between one and ten. It is very doubtful that Google uses those actual whole numbers. The QS that Google uses has much more precision and contains many decimal places. So, in Google's eyes, your QS is more likely a number between 1.00000 and 9.99999, the QS you are shown rounded off.

In the How Does Adwords Work section, I mentioned that CTRs are smoothed out to remove the effects of position. Mathematicians have words for this smoothing out called normalizing. This is done so that every advertiser is on a level playing field, no matter which position their ad is served, first or forty-first. Being in lower positions, ads are generally clicked less often, in absolute terms, than those in higher positions. It would not make sense to use the ad's absolute CTR in the QS and subsequent calculations.

Quality score is also calculated relative to all advertisers for that keyword. This means that your own QS is a good indication of how well you are doing against advertisers using that same keyword. Google likely does this in the following manner:

An average click rate is calculated for all advertisers using that keyword. This is the historical click rate for that keyword, not just active advertisers. Note they could be also be normalizing the data to account for seasonal and other effects. It is of course normalized by

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

position as well. Then, your own CTR is compared to the average and a QS calculated which depends on how far away - positively or negatively - you are from that base line. This is likely done using standard deviation calculations with the mean assigned a QS, for the sake of argument, let's say it is six.

Knowing your own QS, you can tell whether your CTR is average, below average or above average compared to other advertisers. For that keyword. At that position.

That is very powerful information to have. This means that even with a CTR you may consider low, say 2%, if your QS is 8, you are doing well because the average is six. It means your two percent click rate is not that bad.

In a linear system, all advertisers would fall somewhere on the line from first to last, best to worst. However, since the QS is a calculation of how far away you are from the mean, it is possible that all currently active advertisers fall between say 5 and 8, with no one below or above those values. Of course, you don't know other advertisers' QS. So the best you can do is to improve your click rates to get a better score.

Most advertisers likely fall near the mean and most advertisers have a QS of between 5 and 7. The percentage will vary from keyword to keyword and how many advertisers there is, but probably 60% of advertisers fall within that range. Another 20% would be eight and above. Again, these are assumptions. But if you have a Great QS (8 and above), you are indeed in rarefied air and can assume you are in the top tier of the best click rates.

Google says they now calculate Quality Score for each search. This is likely done after the search and not during since that would require a lot of processing power. This means that, even if no advertiser makes any changes whatsoever, all advertisers will see their QS change no matter if the searcher clicks on ads or not. This change will be minute but a change nevertheless. Over time, these can accumulate and

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

eventually you may see your QS go up or down by a whole number.

Finally, you may be wondering that if QS is effectively CTR, what does Google do when you add a new keyword or new ad? After all, it doesn't know your click rate until the ads actually run. It appears that they will assign an average QS. Once your ad has enough impressions, the QS is adjusted in the normal way after each search. This of course assumes a perfect score on the relevancy and page quality portions. These are figured in later but usually within the hour and why many see a sudden change of QS (normally down) soon after adding keywords.

But it also appears that the system makes some calculations on your ad. You may therefore see a jump or decrease in QS soon after creating a new campaign even though there are no impressions. Google probably makes sophisticated analysis comparing your ad to those of other advertisers with similar ads. They do after all have ten years worth of data they can rely on

New keywords which nobody has used before, which is extremely unlikely, are probably assigned an initial QS based on similar keywords. Therefore, even if you were the only advertiser for that keyword, it is unlikely you will get a QS of ten right away. Your ad still needs to prove itself. That is why when adding a new keyword that you will rarely see your QS of ten right away.

Resume of Quality Score

- made up of three components: the keyword's CTR, the relevancy of the keyword to the ad and landing page and landing page factors,
- calculated for each keyword-ad combination,
- smoothed out to remove effects of position has on your absolute click rate,
- assuming a perfect score on the relevancy and landing page components, which should be easily attained, your QS is in effect your CTR. Achieve higher click rates and you will get a higher quality score,

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

- Google shows your QS as a whole number between 1 and 10 but is actually calculated to many decimal places,
- is calculated based on the average of all advertisers. It is therefore an indication of how well you are doing compared to others,
- is not linear. Most advertisers will fall within a certain range with a small minority falling below or above that range,
- is recalculated after each search for that keyword. Your QS and that of all advertisers is constantly changing, however slightly. Over time, these small changes accumulate and will eventually be seen with a change of your whole number QS.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Much Will I Pay When My Ad is Clicked?

I mentioned this briefly previously by saying you pay one more cent than the advertiser below you. In other words, if the advertiser ranked below you bids 21 cents, you pay 22 cents, assuming that is not more than your maximum bid.

This used to be the way Google calculated how much you paid. In fact, some search engines still use this Vickrey style of auction system. Google however has changed this formula and have even published it:

$$\text{Cost} = \text{AdRank}(b) / \text{QS}(a)$$

AdRank(b) is the ad rank calculation of the advertiser immediately below you. Keep in mind that the adrank calculation is their QS times their bid. QS(a) is your own quality score. So if both quality scores are the same, they cancel each other out meaning you end up paying your competitor's bid, if it is equal or below your own bid.

So increase your QS, all other things being equal, you will reduce your costs. As QS is not related to your bid but to your CTR, the way to increase your QS is to create better ads.

How Bids and QS Affect Rankings and Costs

Obviously, any change in the system affects not only you but other advertisers as well. In fact, since CTRs change for each search, the system is in a constant state of flux. And this assumes the same number of advertisers at all times. In reality, new advertisers come, others leave, not to mention that not all advertise at all times. Some pause their campaigns on certain days of the week or even the time of day. Some have exhausted their daily budget.

Here are five advertisers. I've used one decimal point for the QS to illustrate, the price they pay is rounded to the nearest penny, just as Google does:

Advertiser	Bid	QS	Ad Rank	Pays (cents)
A1	30	9.3	279	23
A2	28	7.5	210	28
A3	25	8.3	208	23
A4	25	7.6	190	18
A5	20	7.0	140	20

If A3 increases his bid to 26, the following results (I've highlighted the changes):

Advertiser	Bid	QS	Ad Rank	Pays (cents)
A1	30	9.3	279	23
A3	26	8.3	216	25
A2	28	7.5	210	25
A4	25	7.6	190	18
A5	20	7.0	140	20

A3's payout went up by two cents. A1's has remained the same but only because of similar ad rank between A2 and A3, while A2 has lost a position and paying three cents less because now he's competing with A4.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Now, instead of increasing his bid, A3 creates an ad with better CTR which increases his QS to 8.8 while leaving his bid at 25 cents, you get the following:

Advertiser	Bid	QS	Ad Rank	Pays (cents)
A1	30	9.3	279	24
A3	25	8.8	220	24
A2	28	7.5	210	25
A4	25	7.6	190	18
A5	20	7.0	140	20

That causes A3 to move up one position as it did when he simply increased his bid. He again affects A1's payout but this time it is more pronounced. A1 pays one more cent than before. His own payout increases by one cent instead of the two if he simply increases his bid. He therefore saves one penny by having a better ad. A2 has lost a position but paying three cents less.

A change of QS will have an effect on your payout but not as large as changing your bid. The moral is, always try to improve your ads for a better QS.

Minimum First Page Bids

You can bid any amount you wish on a keyword, all the way down to one cent. In the past, Google calculated a minimum bid for each keyword. If you placed a bid below that value, your ads simply would not be served at all.

Since September 2008, the minimum bid requirement has been removed. You may now see next to your keyword "Below first page bid" and the bid estimate.

Your ads may still be shown if you don't meet this bid. Your ad may still show on the first page as conditions change. For example, advertisers pausing their ads, changing their bids, advertising only at certain times or having exhausted their budget. Searchers may also go beyond the first page and if your ad ranks on subsequent pages, they will be exposed to it.

So in effect, you are not being asked to bid a minimum. The system is just letting you know that you may not be on the first page where you will maximize your exposure.

The bid amount is based on what the last advertiser's ad rank calculation and your own ad rank, in other words your QS and bid. Suppose that there are eight advertisers on the first page and that the last one bids \$0.50 with a CTR of 4% (I'll use CTR instead of QS for simplicity). That gives him an ad rank of 200.

On the other hand, you are bidding \$0.75 with a CTR of 2% which is an ad rank of 150. In order for you to overtake him and place on the first page, you would have to have an ad rank of 201 or, at the same click rate, bid \$1. But if you increased your CTR to 3%, your bid would only have to be \$0.67 to make it on the first page.

Keep in mind that because everyone has a different CTR (different quality scores), the minimum bid asked will be different for everyone.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

You can do one of three things when seeing the message: ignore it, bid at least the suggested amount or improve your ad. This third option is the one that Google would prefer you do.

Some people think that Google is just forcing you to increase your bids to make more money. While Google is in business to make money (aren't we all?), they prefer that you improve the quality of your ads. That's what the QS is all about. It can easily be shown that it is in everyone's interest to have higher quality ads. Obviously, an advertiser would get more quality traffic. But Google would make more money too. They make more money from an ad paying 25 cents with a 5% click rate than one with a 1% click rate and paying one dollar. In the first case, the revenue is \$1250 per 100,000 impressions while it is only \$1000 for the second ad.

The minimum bid changes all the time because the information changes all the time, not only different advertisers but the bids they place and their quality score after every search. For keywords that have a lot of searches and high competition, the minimum may change seemingly minute by minute.

Therefore, if you place a bid that is the minimum, you may see a different minimum soon after because the system has now recalculated the minimum bid and you may still be under it. It may also disappear just because you are on the edge of the calculation.

A funny thing about the first page minimum is that it can show even if you are averaging a position that is already on the first page. I tend to ignore the message when that happens, especially if my position is good. The reason is probably because the system calculates all advertisers using the keyword, whether they are active or paused. It also probably calculates for all countries. This makes it appear as if there are more advertisers in the region you are advertising.

Dramatically increase your profits. Learn all my secrets with my book [“Building PPC Campaigns That Get Results”](#) or [let me manage your campaign for you](#).

I'm the Only Advertiser for This Keyword. Why Is There Still a Minimum and Why Don't I Get a QS of 10?

First of all, you don't know if there are other advertisers for that keyword or not. You may not see them for a variety of reasons, some of them I've pointed out earlier. There may be seasonal effects that others know about and why you didn't see ads. Their budget for the day may already be depleted. They may show ads only on certain days or only during certain times of the day. Some may simply not be advertising for that keyword at this moment. Some may not be advertising in your area, doing so only in certain countries for example or even a specific city. If I advertise only in New York, you will not see my ad if you are in Miami.

So never assume you are the only advertiser for that keyword, no matter what you see when searching for it on Google.

Even if that were so, as seen in the Quality Score sections above, Google will not give you a perfect ten just because you may be the only advertiser at this moment. There is historical data they take into account. You also may not have good keyword relevancy which will drop your QS.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

What is the Average CTR on Adwords? What is the Average CPC? Is a CTR of x% Good or Bad?

For some reason, lots of people ask these questions. I can only assume they are asking to figure out what they should do with their campaign. As explained, use the QS to determine how good or bad your click rate is, assuming you have relevancy.

Is a CTR of x% good?

A CTR is neither good nor bad. It just is. It can be as good or bad as you make it to be. A 3% click rate can be good in one case but bad in another. The same can be said of a 10% click rate. You can have a Great QS (over eight) with a click rate of 2% just as you can have it for a click rate of 10% as I explain in the Quality Score section.

Knowing the average CTR (I assume the question is asked for all advertisers) is irrelevant. It is of no use and certainly doesn't help me create a better campaign.

Same for knowing the average CPC of all advertisers. What good will that do you knowing this? True, it would be an interesting fact to know but useless to improve your own campaigns. The answer by the way is 42 cents and it has apparently gone down in the last year (2009 compared to 2008) but there can be a million reasons why it has. The CPC of some of my clients has gone up, others down and some have remained the same.

Some people bid and pay a few cents for certain keywords. This may be because they don't want to spend more, their quality allows them to do so, or, demand and supply dictates that is the going rate. Others bid and pay a few dollars. The reasons are the same.

Is it crazy to pay one or two dollars for a keyword? It might be if you sell a fifteen dollar item. More so if your conversion rate is one percent. Maybe not if it's a hundred dollar sale.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

My Account is a Mess. Should I Open Another Account?

First, Google's TOS (Terms of Service) do not allow you to have more than one account. I know some have but no matter what you hear such as "I've done it, no problem" or "Google doesn't seem to care", I strongly recommend you don't do so.

To be clear, you **can** have more than one account according to a Google rep I talked to. It must of course be under a different email and they can use the same credit card and billing information.

What Google doesn't want you to do is use two or more accounts to double-serve ads. This is grounds for banning all your accounts. But if each account uses different keywords or advertise in different regions, they have no problem with it.

You can read stories in forums of people getting all their accounts banned. Once you are banned from Adwords, it's for life. Not being able to advertise on Google, the largest search engine in the world, is not worth the risk in my opinion.

One type of "mess" you hear is that if your QS is low, there is no way out and you must start from scratch.

There is NO "mess" that cannot be fixed. Quality Score is low? It can be improved and quite rapidly too with some effort.

Another similar theme that some suggest is that you have to dump your domain and get a new one. Somehow, they believe that the domain is cursed. There are some instances of domains being what is called slapped. This slapping is actually a flagging of the domain for doing things Google considers detrimental to its users, such as installing malicious software. Google doesn't index that domain for organic rankings and doesn't allow advertising to it as well.

I'm assuming none of you are malicious. A low QS very likely has nothing to do with being slapped for the above. It is simply because

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

you are not doing things right. No need to get a new domain or new account. Simply fix the problem.

What is really amazing is that those who cling to this messy account myth suggest copying the account to another and copying the domain to a new one. Without making any sort of change. They expect that the Adwords routines will somehow disregard the way it calculated their score before. If you simply copy, you will get the same results. Guaranteed. This is like having the oil change light come on in your car. Most sane people would change the oil as soon as possible. You don't go out and buy a new car. Again, fix whatever the problem is and you will be fine.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Can I Get My Ads to Show Above the Natural Results?

It used to be that Google would show Adwords only on the right side of the screen. There would be a maximum of eight ads for each page. Then, they started to show between one and three ads above the SERPs. There still are a maximum of eight ads on the right side.

The question is more what makes sponsored results appear above the SERPs? Or as many call it, in the yellow boxed portion at the top and left of the screen.

There are two main conditions. Obviously you need to rank in the top three positions but you also need a minimum quality score. I believe this to be a score of at least eight, although a score of ten may be the only way.

There is also a minimum bid you must meet. This is a sort of minimum first page bid only call it “minimum bid for the yellow box”. Just like the first page minimum bid, this will change.

There is not a minimum number of advertisers needed. There could be four or five advertisers being served and up to three could still make it above the SERPs.

If no advertiser meets all the requirements, it is possible to see no ad above the SERPs. It is also possible to see only one or two. Three is currently the maximum but that could change in the future (I've seen Yahoo with four.)

I Rank Well Using SEO, Why Should I Use PPC?

Congratulations! It's not easy to be on the first organic page of the SERPs.

Usually, people fall into two camps. There are those who simply refuse to use PPC, mainly it seems they just don't want to spend money. They may have tried PPC and failed or have heard of others trying and failing. These are the strong believers in SEO and put all their efforts into that activity. Or they are strong disbelievers of PPC, for the reasons mentioned, and see SEO as the only option to get any sort of meaningful traffic. After all, it's "free". That is of course their choice and the more power to them if they can pull it off.

The other camp are those who see PPC complimenting SEO. I fall in that camp myself for many reasons.

Search engines can and do change the way they rank sites, not to mention new competitors who themselves are trying to improve their own rankings. Relying only on SEO means you run the risk of losing rank. If that happens to the engine that provides you with the most traffic, the number of visitors you get can dry up overnight. PPC can help prevent a total drying up of visitors and keep your ship afloat until you get your ranking back – if you can.

Each search engine has their own ideas of how to rank sites. Your SEO efforts may get you ranked on the first page on Yahoo but nowhere to be found on Google for example or vice versa. PPC can be used to fill the gaps.

Many products and services have potentially many keywords that can be used. It is simply impossible to rank high for more than a few of them and certainly not for all keywords on all engines. PPC can be used to target the keywords you don't rank for using SEO alone.

There are also a few practical reasons to use PPC.

Dramatically increase your profits. Learn all my secrets with my book [“Building PPC Campaigns That Get Results”](#) or [let me manage your campaign for you](#).

You can more quickly and easily test different ads. Your natural listing is really an ad. It has a title and a description that most search engines use. Does it not make sense to test using PPC with hard data such as number of searches, click rates and conversion rates and use what works in your SEO efforts? Of course it does.

Even if you rank in the top positions organically for a keyword, I still recommend using the same keyword in a PPC campaign. One reason is that your campaign is a data gatherer. It tells you exactly how many people searched for that term. Your analytics data will tell you how many organic visitors you have for the same keyword. You might be surprised how often they click on your ad. Without PPC, you'd never know and you wouldn't be able to optimize your SEO efforts. Plus, it's like having two ads running on the same page doubling your exposure.

SEO is usually done to satisfy the search engines. Sometimes, a listing looks like an explosion in a print shop. An ad gets right to the point. It can therefore be more attractive to the reader and you might find it is clicked on more often than your organic listing. You might even find that your conversion rates are higher too. True, you spent money to get that visitor. But you would not have that visitor and new customer if you had not tried PPC. You therefore increased your sales.

Using only SEO in my mind is leaving profits on the table. Say you rank very well for a keyword that gets searched for 10,000 times every month. By ranking well organically, you may get 500 people to click. You may get 10 sales from them and if you make \$20 in profit from each sale, your revenues are \$200 per month.

Now say you use PPC and spend \$5 per sale. If your keywords also get 10,000 searches and you get the same percentage to click on your ad, that's another 500 visits. At the same conversion rate, you get 10 extra sales. You spent \$50 (\$5 per sale times 10 sales). Total net profit from the PPC campaign: \$150. Total revenues for that month (PPC plus SEO): \$350.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

I recommend doing both PPC and SEO. In fact, I never advise clients on SEO until I have tested a PPC campaign and have data to use for SEO purposes. I have seen many clients greatly increase their sales and profits by using PPC and then even more using that knowledge on SEO. I understand the money factor but the old saying is true: you have to spend some money to make money.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Much Should I Bid? What Should My Budget Be?

Your bid, or maximum CPC, should be determined by your ROI. You can bid as high as you want as long as the ROI is acceptable.

Suppose any sale you make from a product makes you a profit of \$20 and you know that your conversion rate averages four percent. You therefore make \$80 total for every one hundred visitors. Your bid should therefore not be more than 80 cents. Of course, you will likely not pay 80 cents, but if you do, you will break even. Anything under that value and you will make a profit.

Naturally, you want to make more than a few dollars per hundred visitor. Decide how much you want to put into your Adwords campaign. Will you be happy if you made a profit of \$40 out of those hundred visitors? If so, your bid becomes 40 cents. Maybe you only want to put in 25% of earnings into advertising. In that case, your bid becomes 20 cents.

Don't forget also the lifetime value of acquiring that customer. The above assumes one sale per customer. If you sell children's clothes, they may not only buy that little girl's dress, they may buy the socks and shoes to go with it or even pajamas while they're on your site. The customer may come back later and buy more when the next season rolls around. If you own a subscription site, there is recurring revenues. In these cases, you can afford to bid higher.

As for the budget, this can be determined once you have data. If the average number of searches for all your keywords in a month is 5000 and your click rate is five percent, knowing your average CPC you can determine how much you will spend. I suggest adding at least 25% to your budget to handle any overages and prevent slowing down of ad servings.

Basically, I can't tell you to bid a certain amount or set your budget to a certain value such as \$500 per month. These have to be determined by your situation.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Many Keywords Should I Use?

This is another of those questions to which there is no set answer. If you can come up with 200 keywords that are relevant to your offer, use them. If you can think of only five, those are the five. You'll probably come up with more later but start with those.

Some people think that having too many keywords hurt you. That simply is not true. It's having the wrong keywords that will hurt you. Remember, it's all about relevancy. The quantity will not hurt you but the quality sure will.

What you should not do however is throw all those keywords into one group. I would be very surprised if you can come up with a few hundred keywords that I cannot divide into logical groups.

Take children's clothes for example. Specifically, one category I sell might be bathing suits. Sub-categories might be babies, toddlers and teens. I can come up with many keywords such as "bathing suit for babies", "toddler swimwear", "swimsuits for teenagers" and even the more general "kid's swimsuits". One way to group them is obviously by those age-related categories so I would therefore create three groups: Babies, Toddlers and Teens. I just came up with three different ways to say swimsuit and there are different variations too I could use such as "swimsuit" and "swim suit". My groups could therefore be: Baby Swimsuits, Baby Swimwear and Baby Bathing Suits. You then put all keywords with both the words baby and swimsuits into the Baby Swimsuits group. With the different spellings and the plural forms of the words, I can probably come up with a dozen keywords for just that one group. In the case of clothes, you could further split the groups by sizes. Of course, you can split the group up further if you want, either now or later if some keywords don't perform well in a certain group.

Some people suggest to have only one keyword per group. I believe this is overkill. You can split off a word or a few of them into their own group if you feel it's necessary as you gather data. Use one keyword per group if you want and have the time (and patience) or use

Dramatically increase your profits. Learn all my secrets with my book ["Building PPC Campaigns That Get Results"](#) or [let me manage your campaign for you](#).

software that do this quite easily and quickly. Remember that you can end up with hundreds or thousands of groups such as my example above. Managing a large number of groups can be cumbersome. Optimizing a group with one keyword that gets only a handful of impressions over a long period of time can also be difficult.

The decision is up to you if you want to have one keyword per group or not. If you have a thousand keywords in total in two dozen groups, that's OK too as long as each group is effective and making a profit. But you should not have **all** your keywords in one group.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Is PPC Good for Affiliate Marketing Such as Clickbank Products?

Using PPC for affiliate marketing is no different than selling your own products. You are advertising a product to sell. If you choose relevant keywords and make your ad attractive, you'll get clicks. If the affiliate product's landing page converts, you'll make sales and a commission.

The big difference of course is that you only earn a portion of that sale. You are already operating at a bit of a disadvantage against those selling their own similar products. This makes turning a profit that much harder. The lower your commission or the more you have to spend for your PPC campaigns, the harder it gets.

You also have no control over the affiliate's landing page. You can't test different offers as they have control over their site. Good if they do test different landing pages but you have to somehow keep track. Tracking every variable is very important in order to improve your campaigns and make money.

Another major factor is that, in the case where there is more than one affiliate marketer for a product, only one ad will be shown. Obviously, the one with the highest ad rank will be served. It's known as Google's one domain, one ad rule. Therefore, if there are other affiliate marketers promoting that same item, you are further disadvantaged simply because they have a head start on you but that is nothing that can't be overcome. Every other affiliate marketer for that offer is like having that many competitors, yet only one of you can have their ad displayed at any one time. And when your own ad is served, you are competing against all other advertisers with similar products.

I'm not saying this to discourage you, just to make you realize what you're up against. It is possible to do quite well in fact because I know some are doing it.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

IMPORTANT INFORMATION FOR ALL AFFILIATE MARKETERS

If you are an affiliate marketer with your own page where you are trying to get your visitors to click to the merchant's page and buy the product there, Google does not allow you to advertise your page with Adwords. They call this a bridge page to the merchant.

Do not under any circumstance use Adwords to promote such pages. Instead, link the ad directly to the merchant's page. Google will and has terminated accounts during the Summer of 2009 for advertising bridge pages.

You may think that's harsh but Google has a very good reason to do this. There simply is too many ads all promoting the same affiliate product which creates a bad user experience. Google's mantra is to provide relevant listings and ads as well as providing the best experience to all its users. They have therefore decided to implement this rule.

Other PPC search engines do not have that restriction. However, be warned that it may not always be so. I therefore suggest if you are into affiliate marketing to think carefully about your business model using pay-per-click.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Is There Any Restrictions on the Type of Products I Can Advertise?

Most search engines will not allow the promotion of tobacco products. It should go without saying that illicit drugs are not allowed as well.

To advertise medicines, you need a Pharmacy ID, at least on Google. If you are a legitimate seller of human medicines, you should have one. Google will ask for it and you should not have any problems once you provide it.

Google does not look well upon sites that advertise make money online products. Anything that looks like a scam basically.

For the full up-to-date Adwords policies and guidelines, go to:

adwords.google.com/support/aw/bin/static.py?hl=en&page=guidelines.cs

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Can I Direct Link to an Affiliate?

Yes, Google allows this. Keep in mind the display and destination URL rule. It says that the eventual landing page domain name has to be the same in the display URL portion of your ad. If you use the display URL www.affiliatesite.com, that domain name must be the same once the page loads after any redirects.

I am no affiliate marketer myself but I do know that some affiliates won't allow you to use PPC to link directly to their site. I'm aware Amazon has implemented that rule since early 2009 and there are likely others.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Why Can't I See My Ads?

There are many reasons you cannot see your own ads.

On ads you created recently, it may be that it has not yet gone through the review process. It usually doesn't take long, a matter of hours, sometimes just minutes. But for some reason, some take longer, usually the software sees something that it considers odd and puts it in the queue for a human reviewer to approve.

Your online account will tell you if an ad is awaiting approval. Since ads have to be approved by a human being, delays can be due to more ads waiting in the queue. This can happen if you create ads from Friday evening to Monday morning as Google may not have personnel working on weekends.

Maybe your bid is not high enough to appear on the first page. Check other pages.

Google will not show you the same ads all the time. They will rotate them to show you different ones each time you do a search on the same keywords. Your search history is stored in a cookie and Google will show you different ads you may be more inclined to click on. It doesn't know which one is your ad so it may show you competitor ads, trying to get you to click on them by giving you different choices.

I suggest not to use Google to check your ads. For one, you'll just get one impression counted for each time you see your ad. This has an adverse effect on your CTR and hence your quality score. On the QS of everybody else too of course but you are concerned about yours. For that reason and those explained above, use

google.com/adpreview

This tool is much more useful and you will see where your ad ranks among competitors. Unless your ad is not showing for whatever reason, you will see it using this tool.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

What's the Adwords Phone Support Number?

It's 1-866-2-Google (1-866-246-6453) in North America.

The preference however is that you contact them by email. The vast majority of issues are covered by their forms when you click on the Content Us link in your account.

My Ad is Disapproved? What Should I Do?

Ads are sometimes disapproved for many different reasons. However, sometimes that reason can be unclear, especially if you are not familiar with all the rules. Some very common ones are:

Excessive capitalization. Some words are normally capitalized such as USA, UK or NATO. Those are OK. But, capitalizing the words FREE and NEW to make them stand out is not allowed.

Excessive use of special characters. Some people think that using exclamation points every where or a bunch of them in a row (such as !!!) will attract attention and get higher click rates. It doesn't. There are a few special characters which are allowed such as the currency symbols, the trademark symbol and the copyright symbol. Use them only once in your ad.

Use of exclamation point in title.

Use of trademarked term. You can bid on those words but not use them in your ad. Google for example does not allow you to use their company name in your title or description. Usually however, when creating your ad, the Adwords system checks for any trademark words in its database. If it finds any, your ad does not go through and the trademark term is highlighted. You can ask for an exception (sometimes a trademark term is also a fairly common word) but you may not get it. Other times, a trademark owner has asked Google that ads with their trademark not be allowed. Existing ads using it are

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

disapproved.

Use of superlative words such as best, lowest, greatest.

Improper use of spacing and punctuation. T h i s i s n o t a l l o w e d.

Certain phrases such as "click here".

Advertising an offer that cannot be found on your landing page. If you mention "10% off" in your ad, your landing page must say that too.

Landing page with pop ups, pop unders or any other device that opens in a separate window or is not part of your landing page.

There is not much you can do except to create a new ad without repeating the same error. Continuing to break these rules can get your account banned. I assume there is a three strikes, you're out rule before getting banned but I have heard it may be five strikes. This "rule" however is not published. You also will not likely get banned on your third (or fifth if that's the case) all-time strike. You have to get these strikes within a certain period of time, although that period is unknown.

There may be some rules Google treats more harshly as well and ban you with a lesser number of strikes. Such may be the case for having more than one account or a site created to transmit a virus.

The lesson here is if your ad is disapproved, don't create a similar ad.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Can I See Adwords Results from Another Country or Other Regions?

As mentioned in *Why Can't I See My Ads*, don't use Google itself to check your ads. Instead, use

google.com/adpreview

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How to Find Out Which Keywords Convert?

A lot of advertisers use Analytics and set goals such as visitors getting to a sales page. One problem with it is that it doesn't tell you the keyword's match type or which ad triggered that sale. Also, many people, including myself at times, find Analytics confusing and hard to set up, surely because it's not an everyday activity.

Adwords does have conversion tracking code which you can add to your thank you page reached after a payment is confirmed. Actually, the conversion can be anything: a sale, a sign-up or other thing you want to track. The advantage is that you can see those conversions right in your account and reports, for each keyword and each ad. This makes optimizing that much easier; you don't need to try to link the Adwords report with the Analytics one. You wouldn't get the whole picture anyway since Analytics doesn't know the keyword's match type – a problem when you use all three – or, just as important, which ad triggered the click.

The downside with the conversion tracker is that only one type of conversion can be tracked at any one time. You could not track for example the number of downloads to a free software and also track actual sales later from that same click.

Since you have to add code to your page, tracking affiliate sales is impossible. Not unless you can arrange with your affiliate to have the code added. You can always ask nicely but I get the feeling that most would not do this for you as they would have to do it for all their affiliate marketers.

I have heard of software that can do this called Prosper 202. As I am not an affiliate marketer and never used it, I can't really comment on this product or any other. Frankly, I'm not sure how it does it. It seems to me you'd still have a problem linking data from two separate sources. Knowing a fair bit about databases, and as explained above, I know this is not as easy as it sounds. The product would still have to report conversions for each keyword, match type and ad. I don't know

Dramatically increase your profits. Learn all my secrets with my book [“Building PPC Campaigns That Get Results”](#) or [let me manage your campaign for you](#).

if Prosper 202 or other products can do that. If not, it is of limited value.

I do know that some affiliate marketers allow the sending of variables and values in the URL. These can be used for reporting purposes. The problem again is matching the correct keyword, it's type and the ad with your Adwords data.

One solution could be to create separate groups for each match type and set a variable specifying the match type of that group. You could also send a unique ad identifier. This would have to be done manually for each ad you create. Adwords uses such a unique ten-digit identifier for each ad and it would therefore be best to use it but there is no way that I know of to do this automatically.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Some Tips

The following are tips that will make your life managing your account a little easier and more efficient:

Never edit an ad, it's the same as deleting it. Pause it and create a new one. You don't know if you'll need that ad again. By simply pausing it, you can un-pause it later if you need it. Plus, running reports on that ad will be easier instead of combining data from two identical ads.

You should always, always test new ads. You want higher CTRs, QS and lower CPC don't you? Of course, having a new ad may not have the effect you hoped for. In that case, drop it (meaning pausing it, not deleting it) and try something else.

For the same reasons, pause keywords, don't delete them. Even if you think you'll never use them again or move them to a different group.

Use the rotate setting instead of optimize in your campaign settings. This way, you can more easily see which of two ads perform the best as they will have about the same number of impressions.

Test no more than three ads at a time. I only test two myself, almost never three at the same time. The reason is to give each ad a fair chance at all variables. The more ads you have active, the less fair it is. One may have been served more often at a certain time of day. What if that was the time of day they wouldn't have clicked on any ads? That's also the reason to use the rotate setting.

Wait until you get at least 30 clicks for each ad before deciding which one is best. It all has to do with how much data is needed for a certain confidence level. You've heard that "poll data is accurate to 95%, 19 times out of 20"? Same principle. There is little confidence if your ads had only three clicks. At the absolute minimum, I'd use ten clicks but the more the better.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Create separate campaigns for the search network and for the content network. You may even want to go further and have a Google only search network, one for Google and but not its search partners (you can't have search partners only) and one for mobile devices if you feel your offer could produce different results for that demographic.

Check the Search Partners results. They sometimes have much lower click and conversion rates.

Innovate, don't imitate. Stand out by not copying the same kinds of ads your competitors are doing. You'll be much better off by doing so.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Not to Get Your Account Hacked

Your Adwords account is just like any other account like your email account, PayPal or online bank account you have. Treat it as if it's gold as there is thousands of dollars in it.

Don't divulge your login information. When hiring an Adwords account manager, only give them your Adwords ten-digit ID. That's all they need to link to your account and access only the data they need to manage it. Don't forget to remove their access once the contract is up. If you gave them your login information, change your password. The vast majority of account managers are honest and will leave it alone. But why take chances. I remind former clients to remove my access or do it myself and advise them I did so.

Don't answer emails of any kind asking to login for whatever reason. This is a phishing scam. Banks never send emails saying "there's a problem, please log in". Neither do credit card companies, PayPal, Google or any large and reputable company. Delete those emails and don't click on their links or you'll be sorry.

Limit your account's access only to those who need access. Change passwords periodically. You'd be surprised in a large company for example how innocently login information can be had by someone who doesn't belong in there. You don't expect your own employees to do damage. However, change the password every few months and any time an employee with access leaves the company for whatever reason.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Can I Get Two Different Ads to Show Up At the Same Time For the Same Keyword?

This is impossible from one account. You'd need two accounts but as mentioned before, that is against Google's TOS, so it's still impossible.

If your page organically ranks on the same page as your sponsored ad, you would effectively have two ads on the same page. That's the best you could hope for to get double the exposure on the same results page.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Why Are My PPC Ads Not Converting?

Adwords will not magically make all visitors coming from your ads buy from you. PPC has one purpose and can do only one thing: expose people to your ad. If they like what you have to say, they will click. The rest is up to your page to convince them to buy from you. It's not the ad that makes them buy, it's only 95 characters of text after all, but it can help pre-sell them and get them in the mood to buy.

You may also be wasting clicks with irrelevant keywords. Removing them will increase your conversion rate and lower your cost per sale.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

On a New Campaign, Should I Bid High to Get High CTR Right Away?

One popular opinion is that you should bid very high on a new keyword, even if the price is higher than what you are willing to pay in the long run. The theory is that a high bid will get you a high ranking which in turn should get you a high click rate. Once you get that high click rate history, and presumably a high QS to go along with it, you can drop your bid to something more reasonable.

This theory is hogwash.

While your absolute click rate will be higher than in a lower position, as I explain in the sections about quality score, QS is calculated using your relative CTR. In other words, if you have a poor ad that nobody clicks on, it doesn't matter which position you start from, even the first. Your QS will be calculated from your CTR compared to other advertisers in that position. QS is a relative number.

The only things having a high bid price will tell you is 1) the absolute CTR you can expect with that ad in that position, presumably the first and, 2) the going cost for that position at that moment in time and your ad's quality. The higher your QS, the better, as that would be a good sign, whatever position you achieve. But if not, being in first or twenty-first, it just means your ad is not as good as your competitors.

Which Position Will Result in Best ROI?

There are many different factors that will affect your ROI. The product itself (not all products sell equally well on the Internet), seasonal effects. Your ad will have an effect and yes, supposedly even the position of that ad. However, next year, it may be a different position altogether. Things rarely stay the same and that's why you have to test all the time.

There is a somewhat general consensus that positions four to six are the most profitable. Yet, I've seen the top two positions in many cases and even the eighth or tenth. But I would not know this by stubbornly shooting for a certain narrow range all the time. Test and find out for yourself. Then, test again.

There is a couple of theories about a certain position resulting in better conversions than another. If you are above the SERPs, especially the first ad, there may be a tendency for people to click on it out of habit, without really reading the ad. In fact, they may even realize it's an ad, especially if they absentmindedly click on the first result they see. This would definitely affect your profits if you get a lot of lower quality traffic. Of course, different niches may get different results.

Another theory, which cannot be really tested, is that your competitors' ads may have an effect. Of course, if your ad is more appealing, yours will be clicked more often. But some say the same can be said if competitor ads make it less appealing to buy from them. Others also suggest that your position next to an organic listing may have an effect.

For the record, across all my clients and all products, the top positions are the best converters. There may be differences however for some products but generally, you want to be in first position where you get more clicks. The conversion rates may vary slightly but the first position results in more sales per thousand impressions.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Will Pausing and Unpausing Have a Detrimental Effect?

Pausing and unpausing will have no effect on QS or anything else. You can do so at your heart's content.

Of course, if you pause for a long period, months for example, don't expect things to have remained the same. You may find that your average position, click costs and QS have changed. But you'll not likely notice, indeed there should be no appreciable change, if you pause for a few days or even a few weeks, given the same keywords and ads.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

How Many Campaigns and Groups Can I Create?

There is a maximum of 25 campaigns you can have active at any one time. Of course, you can have other campaigns which are paused. But 25 campaigns is more than enough for most advertisers. Some run into this limit because they create a campaign for each product they sell or promote. Instead of one campaign per product, create one campaign for a category. Your groups will become the individual products (you may have more than one group for each product).

So the question is, how many groups can I have?

You can have up to 2000 groups for each campaign. This means of course you could have up to 50,000 groups if you reached the 25 campaign limit. There are few campaigns I can envision reaching a 2000 group limit and fewer still with 25 such campaigns.

Finally, you are allowed up to 2000 keywords per group. Note that these are keywords of all matches. A keyword utilizing both a phrase and exact match is two keywords. Negative keywords are also counted as are paused and I believe deleted keywords too.

I was recently made aware that there is a maximum of 50,000 keywords per account. I cannot confirm or deny this at the moment. The logic would say that 2000 keywords per group times 2000 groups for each campaign means an account could theoretically have one hundred million keywords.

Note that it is possible to ask Google to increase your number of groups or number of campaigns. I have never done so myself as there was never a need. I suspect that Google would tell you to first re-organize your campaign.

Another recently learned number is that each group can have no more than 50 ads. Again, I cannot confirm this as I have yet to reach this number (but getting close). I assume that is 50 ads in total, whether active paused or deleted.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Will Using Adwords (PPC) Help With My Site's SEO?

The answer is no. SEO and PPC are two separate things and one does not affect the other. Having ads also does not help create links. Just because you have an Adwords campaign, it won't help with SEO.

Will Having an Older Account Lower My CPC?

No. There is no evidence that older accounts get special treatment and paying less. It goes against treating all advertisers the same. What you pay is dependent on your ad's quality.

Accounts that spend larger amounts also don't get preferential treatment. All advertisers are equal in Google's eyes, whether you spend \$5 per day or \$100,000.

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).

Can You Help Improve My Campaign?

I sure can. My current products and services include:

I've written a book called "Building PPC Campaigns That Get Results". It contains all my secrets, shows how to do keyword research and create great ads with high click rates and high quality scores. I also talk about how to make best use of the content network and how to analyze data to optimize your campaigns to the maximum.

You can purchase by visiting

www.lucidwebmarketing.com/google-adwords-book.html

Keyword research and ad creation. I do the research and create a minimum of two ads. I send you a file and you simply upload to your account. A good option for one-product campaigns. It's a very affordable way to get a campaign started quickly on the right foot and for those not needing full campaign management. Cost: \$25 per product.

Campaign analysis. Every aspect of a campaign is looked at. A comprehensive report is created pointing out weak spots and what you should be doing to correct. No changes are made to your campaign. The report will tell you non-performing keywords to remove, new keywords you should add, new ad suggestions, how your campaign should be organized, settings you should be using, preferred positions based on ROI and much more. Cost: \$200 which includes my book.

Full campaign management. Best for those with little time to do it themselves, those with large campaigns or simply if you don't want to do it yourself. Affordable monthly fee is based on campaign's size. A minimum of three months is required.

To learn more, visit www.lucidwebmarketing.com

Or call 1-888-683-1144 (toll-free in North America) during normal business hours (Eastern time zone).

Dramatically increase your profits. Learn all my secrets with my book "[Building PPC Campaigns That Get Results](#)" or [let me manage your campaign for you](#).