

OPTIMIZATION AND LAUNCH OF A GOOGLE ADWORDS CAMPAIGN

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Abstract: *The case study was performed for a company that develops its activity in the baby articles sale field. The respective firm decided that, besides the sale it had developed in the 7 own shops in Florida, it would pass on to the online sale, considering that this market offers it a real development possibility. The company's decision was that the web site should remain in the initial form and that it should be opened a new site for the online sale (decision that significantly delayed the results in the natural search motors).*

Key-words: *on-line sale, commercial, pay-per-click*

As the online Developer shop was new on the online market, its optimization for the natural search motors was to develop in the next few months, the results for the natural search in terms of traffic being estimated to appear only after 8-12 months. Thus appeared the need to substitute, at least partially, the lack of the natural traffic by traffic generated by the PPC (pay-per-click) system.

It means that, the purpose of the PPC campaign was, on the one hand, the substitution of the lack of natural traffic (which, at that moment, was the objective of the company) and thus the increase of the sale volume (otherwise almost inexistent in the same period of time), on the one hand, and the email addresses collection of the potential clients with the end to create a data base, which were to be used subsequently for sending the newsletters/special offers. At the basis of taking the decision of creating the data base it stood the consideration that it is harder to win a new client than to maintain a relation with the already existing ones (especially if the last ones are also pleased of the services they have benefited of). As the purpose and the location of the campaign are settled, it was passed to the implementation stage of the campaign.

Audience Selection. The first step: **choosing the audience**, *the selection of a public*- the identification of the best potential purchasers. The audience selection was based on the principle more does not always mean better; it was chosen a middle way: the selection of the **search syndication**. The three possible levels are: **1)** The first level: **no syndication** – the announcements appear only on *the result pages of the search motors*. **2)** The second level: **syndication of the search** – the announcements appear on the *result pages of the search motors* and on a chosen group of search motors, which have associated (for Google AdWords: AOL, AskJeeves, Netscape, Froogle). **3)** The third level: **syndication of the content** – in the case of Google AdWords the announcements appear contextually on partner sites, such as: *howstuffworks.com, business.com* and *nytimes.com*. The syndication of the content also means that the advertisement may be added to the email messages for the users of the GMail services from Google as well as in the letters based on the permission request sent to the company's subscribers like *iVillage.com*. And, of course, the announcement can also be displayed on each of the numberless sites associated to the chosen (in the case of Google and of Google AdSense).

Geo-location. Both the web site and the campaign were performed in English. Due to the large number of Spanish speakers from the United States, it was suggested the creation of a version in Spanish language, but the firm did not take that into consideration. On the other hand, both the campaign and the sale politics are limited to the USA borders; the company has not disposed (and does not consider it necessary) the extension abroad.

Search Words Selection. With or without a position on the first page of the search motors, a PPC campaign offers a way of improving the business, offering a relatively constant number of visitors – potential clients. As most of the articles it bases its activity on have relatively low prices (\$5-\$25), with a profit equally reduced, the PPC type advertisement has proven not to be useless, but inefficient; the effort to bring visitors/potential clients on the site was converted in a very low profit. Therefore, for the PPC campaign, it was decided the removal of the accent on the products that could offer a higher profit, thus

justifying the effort and the expenses. After a valuation of the list of the products that the company disposed of, the situation was as follows:

Table 1.: Gross Examination of the /Products/Potențial PPC Campaigns

Produce	Pret mediu/produs	Click-uri/zi (Estimare grosiera)	CPC Mediu (Estimare grosiera)	Cost/Zi	Pozitie medie
Baby bathtime skin care	\$7	< 0.1	\$0.05	\$0.00	1.0
Baby books	\$8	28.0	\$0.24	\$6.62	3.2
baby cards	\$5	18.0	\$0.19	\$3.35	2.4
baby carriers	\$45	7.0	\$0.24	\$1.68	5.9
baby clothing	\$17	290.0	\$0.24	\$70.52	2.9
Baby towels	\$6	< 0.1	\$0.05	\$0.00	1.0
Baby Toys	\$18	64.0	\$0.25	\$15.77	3.8
strollers	\$140	600.0	\$0.25	\$148.32	4.0

Excepting the cloths products and the prams, the rest of the products represent the generation of a relatively low traffic, and even worse, of a truly dangerous profit limit. Taking into account the above mentioned, it was passed to the analysis of the possibility of deploying a PPC campaign for prams. It must be remarked, at that moment, the firm was selling the following brands: Graco²⁴⁴ ; Peg Perego²⁴⁵; Bugaboo²⁴⁶. It was passed to the analysis of the search terms and of the possible generated traffic, by using the 2 instruments: Yahoo! Search Marketing Keyword selector tool (previously Overture, previously Goto.com)²⁴⁷ and WordTracker²⁴⁸.

Table 2.: Estimation of the search frequency and terms derived from the keyword “strollers”

SEARCH TERMS: „Stroller(s)” – Yahoo! Search Marketing	SugestiONS GOOGLE AdWords	SEARCH TERMS: „Strollers” – WORDTRACKER
95085 MACLAREN STROLLER 58584 STROLLER 23967 BABY STROLLER 20611 DOUBLE STROLLER 9274 JOGGING STROLLER 7559 GRACO STROLLER 5169 BUGABOO STROLLER 4489 COMBI STROLLER 4338 PET STROLLER 4140 DOUBLE JOGGING STROLLER 4132 TWIN STROLLER	STROLLERS BABY STROLLERS JOGGING STROLLERS GRACO STROLLERS MACLAREN STROLLERS DOUBLE STROLLERS COMBI STROLLERS PEREGO STROLLERS PEG PEREGO STROLLERS ZOOOPER STROLLERS	STROLLERS 341 BABY STROLLERS 224 DOUBLE STROLLERS 150 DOUBLE STROLLER 135 STROLLER 100 GRACO STROLLERS 99 SIT AND STAND STROLLERS 99 PET STROLLER 97 PET STROLLERS 96 JOGGING STROLLERS 90 SIT AND STAND STROLLER

²⁴⁴ Site oficial Graco: <http://www.gracobaby.com/>

²⁴⁵ Site oficial: <http://www.pegperego.com/>

²⁴⁶ Site oficial: <http://www.bugaboo.com/>

²⁴⁷ <http://searchmarketing.yahoo.com/rc/srch/> For more informaion:

http://en.wikipedia.org/wiki/Yahoo%21_Search_Marketing

²⁴⁸ www.wordtracker.com

4026 UMBRELLA STROLLER 3968 PEG PEREGO STROLLER 3228 JEEP STROLLER 3072 GRACO DOUBLE STROLLER 2982 DOG STROLLER 2965 CHICCO STROLLER 2874 TRIPLE STROLLER 2811 BOB STROLLER 2750 SIT AND STAND STROLLER 2563 ZOOPEER STROLLER 2326 EDDIE BAUER STROLLER 2147 CAR SEAT STROLLER 2089 DOLL STROLLER 1845 STROLLER TRAVEL SYSTEM 1823 TANDEM STROLLER 1803 BABY TREND STROLLER 1725 QUINNY STROLLER 1685 MCLAREN STROLLER 1358 LIGHTWEIGHT STROLLER 1315 EVENFLO STROLLER	UMBRELLA STROLLERS TWIN STROLLERS JOGGER STROLLERS INSTEP STROLLERS JOG STROLLERS	89 DOG STROLLER 77 JOGGING STROLLER 77 BERTINI SIMO TWIN CARRIAGE STROLLER 76 DOG STROLLERS 74
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Search Terms Analysis. The search terms analysis was performed individually, based on: Report product price/CPC; Report Profit/CPC; Competition valuation; Traffic possibilities valuation; Moreover, taking into account the fact that it was intended the implementation of a AdWords campaign, the estimations were, primarily made in the light of the tool offered by Google (Google Traffic Analyze Tool) and only afterwards based on the instrument provided by Overture (at the respective moment it was Overture): **1)** The use of the negative terms in order to make the campaign more efficient. The elimination of the terms that may lead the campaign in a “wrong” direction. a) “review/reviews/testimonials” -although these elements usually help the increase of the traffic, they are terms generally addressing those in search for *information* that are not yet in the proper purchase stage, having a pretty high share in the conversion dilution; b) “wholesales”; c) “Reebok” - term, especially associated with “jogging strollers”, which is not in the company’s offer; d) “triple/twin” – though a heavy traffic can be observed, as being generated by these terms, this traffic is more likely the result of curiosity, than of the desire/determination to buy, so they were excluded; e) “dog/pet/cat” – refers to a different category of products; f) “car seat” – similar; g) “doll”. **2)** It was intended to cover all the possible variants: synonyms inclusion, singular/plural terms, frequent spelling mistakes (e.g: *stroler, Gracco, Bugabo, Bogaboo*) and separate words. **3)** Though it proved not to be significantly relevant in the search based on these terms, it was decided to include those words that urged to action: “buy”, “find”, “discount”, “cheap”. Choosing the matching time: it was chosen the “*Exact match*”, but also the *Phrase match*.

Creation of Advertisements Group. *The advertisement grouping on categories is important for the management of the company. It was chosen the advertisement grouping based on the selected search terms (more exactly, on brands: Graco, Peg Perego, Bugaboo and Jogging Strollers). Once the search terms were split into groups, it was looked for their division, based on the estimated traffic (Yahoo! Search Marketing Keyword selector tool (formerly Overture, formerly Goto.com)²⁴⁹ and WordTracker²⁵⁰). There was a selection of the terms that should have a search frequency: more than 1000 searches/month and less (the limit may vary depending on the reference field), as follows:*

Table 3.: Search words/phrases selection (and negative terms emphasis) for the term “graco strollers”

GRACO STROLLERS> 1000	GRACO STROLLERS< 1000
7559 graco stroller	666 graco travel system stroller
3072 graco double stroller	443 graco metrolite stroller
1217 graco baby stroller	437 graco duoglider stroller
	361 graco doll stroller
	290 graco twin stroller
	286 graco mosaic stroller
	226 graco stroller part
	222 graco quattro tour stroller
	214 duo graco quattro stroller tour
	200 graco car seat and stroller
	181 duo graco ionic quattro stroller
	173 graco quattro stroller
	161 graco snugride stroller
	141 graco duo stroller
	140 graco duoglider double stroller
	136 graco sit and stand stroller
	133 graco literider stroller
	127 ashley graco laura stroller
	126 graco baby doll stroller
	108 graco jogging stroller

In a similar way, it was performed the search term selection for the other campaigns: **Peg Perego, Bugaboo and Jogging Strollers**, taking into account each one’s specifications. Moreover, in certain contexts, there were combined “action” words.

Advertisements Writing. It is obvious that, according to the recommendations and specialty studies, the advertisements were written by taking into account a few important elements: 1) As a general rule, the repetition of the search word in the title and, depending on the possibilities, in the text of the advertisement has a significant positive impact over the person initiating the search, strengthening his conviction that the link he is about to enter is the one he was looking for. 2) The first line of the advertisement text describes in short, the product/service offered: “Save 7% on with coupon GRACONOW” – an excellent service/offer. 3) The second line of the advertisement text presents the possible benefits: Guarantee Quality & free Shipping. 4) The second advertisement, the one dedicated to the term “Jogging Strollers” presents another particularity: it was passed from a logical cumulating of the 35-35 characters, actually resulting in a single line (logical) of 70 characters. “Full line of high Quality Jogging---Strollers”. 5) Still, it seems that in the advertising field, usually the title/description/benefits are the optimum solution, just the way it was settled....80 years ago by Claude Hopkins²⁵¹.

Advertisement Testing. *The system “Split testing” is implemented including as part of the Google AdWords campaign, which proves the fact that it is not optional, but even necessary. It is worth mentioning that, when performing the test, the option “Google automatic ad optimization” was switched on OFF, in order to get a relevant data set; otherwise the Google AdWords system had the tendency of showing more than once the advertisements with a higher CRT. In general, the testing was performed for a number of 25*

⁶<http://searchmarketing.yahoo.com/rc/srch/> For additional information:

http://en.wikipedia.org/wiki/Yahoo%21_Search_Marketing

²⁵⁰ www.wordtracker.com

²⁵¹ http://en.wikipedia.org/wiki/Claude_C._Hopkins

repetitions/variant, which was considered sufficient to issuing pertinent conclusions, related to the respective advertisement.

Dynamic Keywords Insertion. When a PPC advertisement is written, it is extremely important that the terms, the search is performed on, were identifiable in the text of the advertisement and especially in the title²⁵². For exemplification, if there was performed a search for “graco metrolite stroller” the advertisement should look like:



For this option implementation, the syntax is: {Keyword: Default Title}

Where KeyWord must be written just as it appears, and Default Title is replaced by the title, which desired to be general, by means of this syntax, it was succeeded the automatic insertion of the desired terms, so that they have fused with the performed searches. If the search terms overpass the admitted limit (title – 25 characters or description – 35) the Google AdWords system will use the term declared default.

Campaign’s Budget. Due to the fact that the firm that was going to roll PPC advertisements had never operated online before, it was not known the conversion rate of the virtual shop, so that it was passed to an estimation of the conversion rate based on the previous cases, where it had varied between 10-14 %. For more safety, it was worked at the budget estimation with an average ratio of 11.8%; during the tests it raised up 12.3%, and, during the first three months, by continuing the successive testing, both of the landing pages and of the search advertisements/terms it reached 12.9%. The calculation formula for the maximum sum attributed for a price offer: **Net profit /sale x conversion rate = maximum amount for price offer.** For example, for a net profit of \$21, with a sale rate of 11.8% we have concluded a maximum admitted value of \$2.44/offer. Anyway, the value is established under this sum, in order to also be able to get a profit, in the end.



Advertisement Positioning. Once the estimation of the maximum price payable for obtaining a visitor was complete and once the daily maximum budget was calculated, in the “Graco” campaign case it resulted that:

Table 4.: Traffic estimation – Google AdWords

Estimates for the maximum CPC: \$1.22 USD and daily budget \$400.00 USD

Keywords ▼	Predicted Status	Estimated Avg. CPC	Estimated Ad Positions	Estimated Clicks / Day	Estimated Cost / Day
Search Network Total		\$0.85 - \$1.22	1 - 3	52 - 68	\$50 - \$90
-accessory					
"ashley graco laura stroller"	Active	Not enough data to give estimates. ?			
[baby graco stroller]	Active	Not enough data to give estimates. ?			
-car					
-doll					
-double					
-duo					
[graco baby stroller]	Active	\$0.72 - \$1.08	1 - 3	0	\$1

²⁵² According to a study from 2002 of a marketing company AC Nielsen, almost 50% of the persons are inclined to click on an online advertising generated by the PPC system, at the time it advertises the search terms both in the title and in the description.

"graco stroller"	duoglider	Active	\$0.80 - \$1.20	1 - 3	0 - 1	\$1
"graco stroller"	jogging	Active	\$0.86 - \$1.23	1 - 3	0	\$1
"graco stroller"	literider	Active	\$0.78 - \$1.17	1 - 3	0 - 1	\$1
"graco stroller"	metrolite	Active	\$0.78 - \$1.17	1 - 3	1	\$1
"graco stroller"	mosaic	Active	Not enough data to give estimates. 			
"graco stroller"	quattro	Active	\$0.72 - \$1.08	1 - 3	0	\$1
"graco stroller"	quattro tour	Active	\$0.71 - \$1.06	1 - 3	1	\$1 - \$2
"graco sit and stand stroller"		Active	Not enough data to give estimates. 			
graco stroller		Active	\$0.86 - \$1.22	1 - 3	49 - 64	\$50 - \$80

and using the following list of negative terms: double, duo, twin, doll, part, parts, car, seat, review, reviews, testimonial, testimonials, replacement, accessory, accessories, toy. It can be seen that the real situation is varying, which "Google's Average Cost-Per-Click" estimates to be wrong most of the time, as the traffic rate is higher than the one being declared.

Landing Page Variants Testing and Results Pursue. This stage assumes both the advertisements testing and the landing page variants testing. Thus, for the landing page presentation there were performed more page variants. It was set out from the "Success" formulas, taking into account the data organization method already proven efficient; in all the page variants there were included key elements for favoring the sale.

Fraud in the PPC System. SEMPO (Search Engine Marketing Professional Organization) published a study²⁵³ related to the way this problem is being considered by the campaigns' initiators. It is worth noticing that, though the fraud problem in the PPC system has been acknowledged as important for more than 70% of the adversaries, only 25% of them have tried to pursue the problem in their campaigns as part of the different testing. "The traffic generated by the search motors is the most valuable (traffic) for a web master, due to the psychical state (preparation) of the person performing the search. The fraud in the PPC system, the payment for the traffic that does not convert, may poison the world ..." Kevin Lee, SEMPO.org²⁵⁴. In order to test the vulnerability of the system offered by Google as part of the campaign, there was performed the following experiment: it was created a campaign displayed for search "ppoppiuuuyy"; this way, the attempt for fraud could not alter the other Google AdWords participants' results (as there is no one else search campaign4s this search term). Thus, there were noticed the following:

Table 5.: Simulation of a Fraud Attempt on Google AdWords

Fraud attempts on Google AdWords system		
Fraud attempts	Successive clicks	Clicks registered by Google

²⁵³ <http://www.sempo.org/press/click-fraud.php>

²⁵⁴ <http://www.SEMPO.org>

Individual click on an advertisement	25	0
Individual click on an advertisement using proxy	10	1
Click on an advertisement using another computer, the same IP address	10	1

As a result of this experiment, it was noticed that the system cannot be influenced by usual, common methods, by an individual or a group of individuals. Although, pleasing enough, this experiment do not answer the much more elaborated fraud problem from the sophisticated systems/technologies or from the uninterrupted human labor (the cheap manpower from the countries considered “the third world”²⁵⁵). Moreover, experiments performed by dedicated firms tend to demonstrate that the real results are different. As a result of some experiments performed by SEMPO, the organization using INCUBETA²⁵⁶ application, there were deduced the following: Approximately 30% of the clicks generated are fraudulent; The fraud possibility is increasing on the measure of the offer increase; Google detected only a small part of the fraudulent clicks.

We can deduce the fact that (intuitive and predictable – this experiment) the fraud in the PPC system is a major problem of all the participants to the system, trespassing the admissible limits of the search motors. In order to emphasize the fraud there were settled the following measures: 1) To attentively monitor the possible rapid conversion collapse, especially related to the pinnacle of the increase in the company’s costs. Such a rapid change in the company’s figures could, most of the time, mean manipulation attempts. 2) To implement pursuing applications. 3) To follow the “click-through rate” and this the fraud over the advertisement display numbers. 4) To follow the search terms which were deactivated during the proper campaigns due to a low CTR conversion, especially if the respective company rolled with good results for a time and, suddenly, the search phrase has been deactivated; this could be a fraud sign. 5) To report any fraud in order to take measures at the level of the system (in our case, Google AdWords). 6) To daily monitor the traffic. 7) As a general observation, the more the PPC motor depend on the affiliation network, the less safe the traffic.

Conclusions. Although, at a first glance, it does not look like a special business opportunity, the calculations demonstrate that, in the case of Graco campaign: **1)** The conversion rate started from an estimation of 11,8% and, as a result of the successive testing, reached 12,9%. **2)** Net profit/sale: \$21.00. **3)** The estimated traffic is 68 visitors/day, but in this practice it is 75 (still, the calculations will be performed for 68). **4)** Maximum cost for bid/day is \$1.22. **5)** Maximum estimated cost per day: \$82.96. **6)** Sales/day: For a conversion rate of 11.8%: 8.25; For a conversion rate of 12.9%: 8.77. **7)** Income/day: For a conversion rate of 11.8%: 8.25x21=173.25; For a conversion rate of 12.9%: 8.77x21=184.17. **8)** Profit/day: For a conversion rate of 11.8%: 173.25-\$82.96=90.29; For a conversion rate of 12.9%: 184.17-\$82.96=101.21. **9)** Profit/month: For a conversion rate of 11.8%: 90.29x30=2708.7, For a conversion rate of 12.9%: 101.21x30=3036.3. Extrapolating the other 3 campaigns’ results (though the data varies, the results may be linearly multiplied), it resulted: Profit/all the 4 PPC campaigns/month: For a conversion rate of 11.8%: 2708.7*4=**\$10834.8**; For a conversion rate of 12.9%: 3036.3*4=**\$12154.2**. This may not be the most profitable business, but, taking into consideration the fact that it is a net profit and that the company performing the service is not a very large corporation, the results were very good. Furthermore, the limitation imposed by the product range offered is for the company’s disadvantage; after only 5 months of PPC campaign, it diversified quite significantly its product range and rolled in no less than 8 PPC campaigns at a time. In addition to that, the PPC advertisement is a relatively stable market and does not vary in terms of the so frequent indexation modifications/algorithm, being a very good alternative and a business increasing method.

1. www.gracobaby.com/
2. www.pegperegogo.com/
3. www.bugaboo.com/
4. www.searchmarketing.yahoo.com/rc/srch/
5. www.wordtracker.com

²⁵⁵ Webmasterworld.com -

²⁵⁶ <http://www.marketingexperiments.com/ppc-seo-optimization/click-fraud-detection.html>

6. www.en.wikipedia.org/wiki/Claude_C._Hopkins
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