

Technology

Beginner's guide to Google Adwords

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Come to grips with Google's powerful advertising tool, writes Duncan Ross.

If you're a business owner, chances are you've been cold-called by an IT boffin pitching to fine-tune your Google Adwords. You don't use Adwords? Tsk, tsk, tsk.

So, what's this Adwords caper all about and does your little business really need it? Most importantly, can you afford it? On the surface it looks expensive and complicated. Well, it's not. It's also likely to outperform your traditional advertising methods and in future may well become the mainstay of your promotional activity.

Adwords is a web-based advertising service operated by Google. It's "pay-per-click" advertising - that is, you pay nothing unless someone clicks on your ad. The ads appear either under "Sponsored links" on the right-hand side of the Google search page or maybe under "Ads by Google" on other web pages.

The clever thing about Adwords is that they appear on web pages or search pages with keywords you have specified. So if someone searches for "roof repairs" and you have chosen "roof repairs" as a key phrase, your ad appears next to Google's search results. Hopefully someone then clicks on the link and you score a customer.

The closer your ad is to the top of the list, the more likely the searcher is to click on it. The position in this list depends on how many advertisers pay for the same keyword and how much they are willing to pay. If you type in "home mortgage" you'll get a lot of paid ads and should you click through to one of those advertisers' sites, that advertiser will pay Google handsomely. However, if by chance you are interested in purchasing an "Outer Mongolian rock rabbit" and enter that phrase instead, you'll most likely see there are no paid advertisements at all. It means

no one is prepared to pay Google for those keywords.

All paid ads take a form Google specifies. This includes a headline, two lines for a "call to action" and your web address. When you sign up to Google Adwords, you make up these ads. In fact, you can have many such ads all running at the same time using different keywords.

The way ads are selected to be shown is based on keywords and phrases and, to some degree, your budget. Think of the keywords you think customers would type in to find you. These may include product names, services and processes. And here's a secret: include common misspellings of those words.

Be as specific as possible using two- or three-keyword phrases. Avoid generic terms such as just "rabbits" if you breed Outer Mongolian rock rabbits. Otherwise, every time a customer looks for just any old rabbit he might get your ad and you waste your advertising budget. Provide a more accurate phrase such as "Outer Mongolian rock rabbits" or "exotic pets".

Now the money bit. You choose how much you spend per month. You also choose geographically where you want your ads to appear; city, state, country. While this is not an exact science, it works pretty well. But how much should you spend and how much does each ad impression cost you? If your ad appears but is not clicked on, you pay nothing. This is called an "impression" and Google tells you how many of those you have each month.

However, if the searcher (your future customer) clicks on your ad and gets forwarded to your website, you pay based on the amount you offered for that word or phrase.

This action is called a "click" or "click through".

And how much do you offer for that word or phrase? Paying more will bump you closer to the top of the display list but you will use up your budget faster. While experienced users can set a maximum figure for each word or phrase, to get the hang of this process simply choose Google's Starter Edition. This relies on Google's advanced black magic to take your budget, whether \$5 or \$5000 a month, and calculates the likely cost of your keywords based on what other companies are bidding. It then pitches as many impressions of your ad as possible through the month.

A typical click-through costs 20 cents to \$2 but keywords for high-ticket sales such as mortgages can cost many dollars per click. Don't panic - you cannot be charged more than the budget you set. A small business might start with a budget of \$100

a month and see how it goes. You pay by registering a credit card.

Importantly, monitor the results from time to time. The statistics Google provides are excellent. They tell you how each word is performing along with the number of impressions and click-throughs. This allows you to fine-tune your campaign by tweaking the keywords. Try offering a wickedly good special that can only be accessed via a special web page your Google ad goes to. That way you can track the actual number of customers you get from your campaign.

So give it a go. Sign up for Adwords by following the "Advertising Programmes" link from www.google.com. It won't take you more than an hour or so and the knowledge you'll have gained will be invaluable in understanding this very cool and effective way of advertising.

<http://www.theage.com.au/articles/2009/04/27/1240684398708.html>