Google AdWords Exposed

How To Make Your Fortune With Google AdWords

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Terry:
Hi there. This is Terry Telford from TheBusinessProfessional.com, and today we are extremely fortunate to have Phil Chapman, who is a Google AdWords expert, on the line with us. Phil actually hails from the executive offline world, and he's experienced quite a remarkable success offline. He has basically taken his offline success and duplicated it online.

One of the most successful products that Phil has is, <u>How to Succeed with Google AdWords</u>. It's an eBook that Phil has put together on his research and his practical experience. We're going to discuss the book a little bit, and pick Phil's brain about Google AdWords and find out exactly how you can use them to maximize the traffic you're going to be getting to your website.

I'd like to first off say thank you very much for being here with us today, Phil.

Phil:
It's my pleasure. Thanks for inviting me, Terry.

Terry:
Thanks so much. Just to get a little bit more acquainted with you, Phil, maybe you can tell us a little bit about your background and how you ended up where you are now.

Phil:
Sure. My background is in management, both in marketing and in retail. I predominantly worked for two major companies in the U.K. One was a Home Base, which is DIY chain with about 230 stores nationwide, and one was a food retailer with about 440 supermarkets around the U.K., which retailed around 8 billion pounds, which is about 14 billion dollars. I was responsible for some fairly large projects in these companies. In the year 2000, we had a computer meltdown project. Most recently, one was whose target was to save 100 million pounds a year by simplifying operations in the supermarkets.

Following some major board changes in the year 2000, the project I was working on was going to be changed so drastically I hardly recognized it myself. One of the options that I had was to take a pretty generous severance package, which I took and set up a business of my own.

Terry:
Excellent.

Phil:
We currently have two websites and several more on the way and a marketing company, which is basically how I became involved with AdWords in a big way.

Terry:
Did you have any online experience before? When you were in the offline world, were you also dabbling in the online world?

Phil:
No, not at all until the year 2000 when we set up our first oil paintings websites. I'd only ever experienced the Internet as a casual surfer. I did use it for research in the projects I did with Home Base and the supermarket chain. I never did anything with Internet marketing, thought.

Terry:
You've had six years of experience online.

Phil:
Yea, it is about six years.

Terry:
When did you start using Google AdWords?

Phil:
I suppose it was a couple of years ago. One of the reasons that I thought of writing the book was my first explorations into Google AdWords were pretty fruitless if I'm going to be honest. I suppose I started off using the guidelines that Google provides on the side. As excellent as Google is in all sorts of ways, it's not in their best interest to help people. There's a lot more to it than getting a couple of keywords together and writing a couple of ads and putting everything in the Google AdWords pot.

I started off reading; I've read, listened to, and studied all of the AdWords guys. Perry Marshall is a guy who is pretty widely recognized in Internet marketing as being an expert on AdWords. Another guy named Andrew Goodman is a leading authority. I bought one book, then I bought another book, then I bought Chris Carpenter's book, then I listened to some audios and bought some more things.

I just felt what was lacking something. These guys are extremely knowledgeable; there was no doubting that. In some cases their businesses are based on AdWord consulting for other companies. What I didn't feel was in their books was some sort of logical structure and methodology on putting the whole thing together for somebody who hadn't used it extensively before, and for somebody to refer to who has an existing campaign that they'd like to improve in one way or another. That's what formed the idea for writing the book, really.

Terry:
Excellent. Maybe, before we get right in, we can define what Google AdWords is incase someone isn't too familiar with it.

Phil:
Sure. I'm going to work on the basis that everyone has heard of Google search engine. That's a fairly safe given I suppose. You'll probably know that if you search for any phrase on Google that there's a column on the right site of the search results, which are where ads are displayed. There are sponsored listings on the top and the amount of AdWords they have depends on the amount of advertisers they have for various keywords that are being searched for.

Terry:
At the top, like you mentioned, there are sponsored ads. Are those AdWords as well?

Phil:
Are you talking about right at the top above the generic ones?

Terry:
Yea, right at the top where it says "sponsored links."

Phil:
Sometimes there are ads there, but no always. Generally, when they do have ads there, those are people who have formed a special relationship with Google either because of the length of time they've been using it or the amount of money they've given to Google. All of their ads are particularly successful in relation to how many people are clicking on them compared to how many times they're displayed.

Terry:
So those aren't actually Google AdWords?

Phil:
Well, yea, the first one or two that have a different colored background. They are AdWords. They're just not on the top of each page; it depends on what search term you've used. But, when they do appear, they are, generally speaking, the best performed AdWords for that particular search phrase. There is always a maximum of two at the top, if there are even any on the top. Generally speaking, all of the AdWords are displayed on the column on the right of the page.

Terry:
Okay, that's cool. So, when we're speaking about AdWords, we're talking about the ones on the right side of the page.

Phil:
Yes.

Terry:
Okay. That's cool. Google, before the AdWords, was strictly a search engine. Then, they started getting into pay per click, which is AdWords. They're not original, though. The most recognized pay per click before Google AdWords was probably Overture. What's the big difference between using Google AdWords and using Overture or some other pay per click search engine?

Phil:
There's no doubt about it that Google AdWords and Overture are the two biggest pay per click search engines by miles. I think in recent months Google has overtaken Overture in its popularity as a pay per click search engine. The biggest advantage to Google AdWords over Overture is really the fact that you can set up an AdWords campaign and have your results shown on the search engine's pages in about 15 minutes. With Overture, it typically takes about three to five days as a human being reviews the ads before they let them into the search network. That's probably the most significant thing.

The other most significant difference is that Google applies a combination of the price pay per click by the advertiser and the popularity of each ad to determine how high up the page the ad is displayed. In other words, Google actually rewards that the ad is relevant to the searcher. With Overture, you pay your money and you get assigned a position determined on how much money you're prepared to pay. If you pay the most cents or dollars per click, you'll be at the top of the results on Overture, which isn't necessarily the case for Google because it works on the combination of popularity and

price.

Terry:
Okay. So, where is it more successful to be? Should you be in both or just be in one?

Phil:
What I suggest is start with Google because it's so quick to get started. You can start a campaign and have your ad displayed in 15 to 30 minutes time where you just can't do that on Overture. Google is also the most popular search engine, so typically you'll generate the highest volume of traffic from Google. But, once you've established a successful campaign from Google, by all means, use Overture as your next one, and then even go to some of the minor pay per click search engines just to make sure you have as big of a pool of traffic as you can for your website.

Terry:
Okay. Do you end up spreading yourself too thin and spending a lot of money that you could use to focus on Google and getting more?

Phil:
One of the misapprehensions that a lot of businesses are under is that it's a cost rather than an investment. If you set up a process with Google that works and has a positive return on investment for the money you're putting in to advertising with AdWords, then there is no reason why that same sort of process won't work with anything else. So, yes you'll be paying out more for advertising, but only in direct relation to how much you'll be making from that expenditure.

If you're just starting out with pay per click advertising, it makes sense just to stick with Google because you should generate the biggest amount of traffic from Google than you would with any other pay per clicks. Once you're set up with Google and familiar with it, then go to other pay per click search engines, starting with Overture to drive additional traffic.

Terry:
Okay, cool. Maybe we can take a look at the process we would go through to set up a Google AdWords campaign. In your eBook, you mention that you take a computer business and go through the process. Can you basically give us the overview of the process we need to go though, assuming we have a website set up for our product already.

Phil:
Sure. The biggest mistake that the vast majority of people make is by starting it all at Google. The process of running a successful AdWords pay per click campaign is with research. I know this probably isn't very exciting to most businesses, but doing that first will give you an advantage over the vast majority of the competitors you may have.

Most people would go to Google, go through the account set up guidelines that Google has on their AdWords site, add some keywords that they've decided in advance what the customers were looking for, and/or use the search tool for keywords that Google provides to expand their list of keywords. There is a massive disadvantage in doing it that way because virtually everybody does it that way.

To differentiate yourself from the majority of your competition, do the research first. You'll obviously give yourself a far better opportunity to succeed with AdWords than other people in your business.

Terry:
What kind of research are we talking about?

Phil:
Well, fundamentally keyword research is the main thing. One thing that might be useful is to tell you the disadvantages of going to Google first. First, you'll find yourself bidding on the most popular keywords in your business. That also makes them the most expensive in terms of cost per click that you're going to pay for those keywords.

Secondly, you get very loosely targeted visitors to your website. Using the computer business example that you mentioned before, that I cover in detail in the eBook, somebody who is searching for computers isn't likely to purchase the new external Sony DVD rewriter drive that you just bought 10,000 of. What you'll tend to find that somebody searching external drives is a better prospect for you and someone searching for external DVD rewriter drives. If there is someone searching for external Sony DVD rewriter drives, you've obviously hit the jackpot.

Terry:
Right.

Phil:
Thirdly, it's far easier to manage an AdWords campaign that's

designed to succeed from the start in the sense that it's structured logically rather than trying to make sense of something that grows organically as more keywords are added to it in the future. It's very easy to plan this with a little bit of thought and it doesn't take long at all. It can save you time and money as your Google AdWords campaign matures.

Perhaps, using our computer example again, it just means that you need to think about how the range of products that you sell can be grouped logically. For example, desktop computers might be a group, laptop computers might be in another group, and printers and scanners could be in another group. They could all be logical groups of products among the range of products in your business.

Terry:
Okay. Why do we do that? What are we doing with these groups?

Phil:
What you're aiming to do is have a group of words in an ad group that you can write one or two ads for. Obviously, the more closely related each of the words is in the ad group, the more relevant one ad is going to be to represent those keywords.

Terry:
Okay. I just want to make sure I have this straight here. I have a computer business where I sell desktop computers, laptops, and external hard drives. I want to put a group of keywords together that only represents my desktop computers, I want to have another group of keywords that only represents my laptop computers, and another group that only represents my external hard drives?

Phil:
That's right. Somebody with a computer business will know what products to group together. The key thing to remember is that you're going to have an ad that represents those groups of products so that you target those people looking for those products to purchase.

Terry:
Okay. So, what I'm going to do with my ad is make it very specific. I'm not going to have an ad that's generic and says, "Here's Terry's computer business." I'm going to write an ad that says, "HP Pavilion desktop computer," or that kind of thing.

Phil:

Absolutely. Generally speaking, there's always a tradeoff between putting three words in one ad group, which obviously takes a lot more work, rather than putting in 500 words in one ad group. Three makes the process too arduous and you can't hope to have one ad that targets 500 different search terms. It's difficult to be precise. There's not a right number of keywords in an ad group. The right number is determined by to what extent one ad can represent those keywords.

Terry:
Okay. So, I could have an ad that has ten keywords and another that has 50.

Phil:
Absolutely. Even more than that if they're very closely related search terms.

Terry:
Okay, so as long as they're closely related… if I have a desktop computer, which is one group of keywords I want to have, and I have ten different desktop computers, should I list each individual name of the computers? How do I come up with the list of keywords?

Phil:
There is a technique called dynamic keyword insertion, which you won't find anywhere on the Google website. It basically enables you to put a default keyword as the headline of an ad. But, depending on the search term, whatever somebody actually searches for will appear instead of the default.

Let's take an example that would make it clearer. In the headline of an ad, you could put desktop computers. If your keywords actually included five different specific types of desktop computers, you could use this dynamic keyword insertion facility to replace your default ad of desktop computers with the actual word that someone has searched for. This is very powerful.

We can take an extreme case of an example I used in the book to clarify this concept. We used the example of widgets; I think we used the example of scratchets because so many people use widgets. We just made up 18 different kinds of stratchets depending on color and size etc…. The beauty of dynamic keyword insertion is that Google will enable you to have your default headline replaced with each of those individual keywords to represent each different kind of stractchet. It depends purely on what the searcher used in their keyword to search

for.

In other words, the keyword that was searched for will always appear at the top of the ad, which is very powerful.

Terry:
So if somebody searches for, "HP Pavilion desktop computer," that's what should be in the headline of my Google AdWord.

Phil:
Yes, absolutely. That's far more likely to get the click than a generic headline of "desktop computers."

Terry:
Right. So, where do I go about getting these keywords? I have a computer company, I'm sure I can think of a bunch of things off the top of my head, but not keywords that people are searching on. Where do I go to find out what people are actually looking for?

Phil:
That's a great question, Terry. The most important point that I touched on earlier is to not just go by gut feeling using the tool at Google. They are improving that tool all the time, though. But, I have a great example from our first website why not to do your keyword research that way. When we started out on the Intern et, we started with a site that sold and still sells high quality oil painting. Now, I wouldn't have set up an oil painting website if I knew then what I know now.

We got everyone together, including friends and family, and brainstormed the phrases that we thought people would be typing into their favorite search engine if they wanted to buy a painting, which is what we were selling. The two phrases that were most popular in our discussion were, "oil paintings from photographs," and, "old master reproductions." They sounded fair enough. Within that business field they were the field that people used to describe those products.

We spent hundreds of hours and hundreds of dollars on software to learn search engine optimization for ourselves to enable us to create web pages that should rank high in the search engines for those phrases. This isn't talking about pay per click; this is talking about generic search listings, which is the database of listings that cause pages to appear at the top of the ranking when people search for a particular term. That was the free search engine listings, if you'd like

to differentiate it from pay per click.

We couldn't figure out why we weren't getting much traffic. It wasn't until much later as I gained experience that I figured out why. That was for the simple fact that no one was searching for those phrases. We spent all that time, effort, and money actually learning search engine optimization from scratch rather than paying somebody else to do it at the time. We ended up being ranked highly for those pages, but it didn't result in getting traffic because no one was actually searching for them.

Terry:
Oh no. That same kind of thing can happen for keywords for AdWords too?

Phil:
Absolutely. The best advice I can give to people is don't guess. You can go to a site called GoodKeywords.com and download their free software, which enables you to compile a keyword list for your own business of words that people are actually typing into search engines to find exactly what you're selling. That beats guessing every time.

Terry:
You get a piece of software that people are looking at?

Phil:
Yea, and it actually gives you the facility to use different country's databases. So, you can still use this if you're not based in the U.S. Most of Internet marketing products are written with the U.S. in mind because it's the biggest market in terms of Internet marketing and searches at the moment. If you're not in the U.S., and you don't have an international or worldwide business… if you have a local business in the U.K. for example, you can pick U.K. Overture search engine, and it will show you the searches just for the U.K., which is very useful.

Terry:
Wow. That's fantastic.

Phil:
It certainly beats guessing. It will save you time and/or money in optimizing pages or, in the pay per click case, bidding for keywords that nobody is searching for anyway. That's not really too clever. The next thing is, we always start off with keywords, then we use an online service called Word Tracker to build an even larger list of keywords. I

think the key is not to be content with 10, 20, or 30 keywords. Using the keywords tools, you can compile a couple of hundred keywords very quickly and easily. If you add Word Tracker into the mix, it can easily become 1,000 keywords.

AdWords also enables you to compile different matching options for keywords to determine when your ads get displayed. You can easily double that list by using two out of the three available matching options. You can even add in some plurals of those keywords to the list you started with. So, you can quickly and easily start off with a list from Good Keywords of 100 or 200 and get up to 2,000 or 3,000.

Terry:
Is that realistic though? How would you write an ad that would cover 3,000 words?

Phil:
In two ways. Obviously, you need to make sure that similar keywords, which are keywords that relate to similar products, are grouped together. That's mainly why I said earlier on that there is no limit on how many keywords you have in one ad group. The only limit is that they are so closely related that one ad can present them. What you tend to find is, the more keywords you get, the very slight variations that you might have in a list of keywords, which typically get higher volume searches.

Back to our computer example, computers will probably get hundreds of thousands of searches a month. Desktop computers might get thousands of searches a month. Laptop computers will get thousands a month as well. It goes on as you go further down the order in terms of how often that search term is actually used. There's a very close similarity between the words that people are typing to search for.

Terry:
Okay. Say you start off with good keywords and you end up with 100 keywords, which are things like computer, desktop computer, and laptop computer, then you would add computers, desktop computers, and laptop computers, all plural. You could pretty much take every single search word and multiply them by two or three for their slight variations of the same keyword.

Phil:
Absolutely.

Terry:
Okay… I got you.

Phil:
That's what a lot of advertisers don't do. That actually takes a bit of time. While we've been having this conversation, I just brought computer up in Good Keywords, and last month, this is just on the U.S. Overture search engine, it had 2,411,789 searches. The next one down is computer notebook, which is a variant of laptop. That had 1,175,000 searches. If you go down the list to number 100, which is the last one on the Overture search engine, the last one is April computer day, which gives you 10,009 searches.

There are a vast range there of different searches for different configurations and combinations of words that people have used as their search term. As people's familiarity with search engines and the Internet increases with time, we find that it's far more common these days to search for three words instead of one, like they would have two years ago.

Terry:
Exactly.

Phil:
So people don't often put something like "computers" into the search engine now because they've realized over time and experience using search engines that that's just going to return squillions of web pages that won't be targeted for what they're looking for. If they're looking for a Dell laptop computer, they type "Dell laptop computer" into the search engine and they obviously get far more relevant results.

Terry:
Right, okay. So, we have the keywords covered. Now, we have a list of keywords. Take me through the process of writing an effective ad. This is very difficult; we have very little space to actually write the ad.

Phil:
That's very true. Just for a reference, Google will allow 25 characters including spaces in the headline of the ad, and 35 in each of lines two and three. The fourth line is reserved for the URL of the page that the ad goes to when someone clicks on it. So, you're right; there isn't a

lot of space there. The really important point to include here is another one that advertisers on AdWords rarely do well. Within an AdWords campaign, there could be numerous ad groups, which would be separated out by the product group that we talked about.

A good way to check whether you have the right keywords grouped together is to think to yourself, "Can I write one ad that will reflect all those keywords?" That's often a good check that we use ourselves just to satisfy ourselves that the grouping of our keywords within the different ad groups is a sensible one in terms of searches. For example, if you write an ad about the external drives I mentioned above, you don't want that ad to be displayed when someone is searching for computer printers. People searching for printers won't want to buy your drive.

Terry:
Right, exactly.

Phil:
An important part that many advertisers overlook is that a click on the ad for each ad group should lead straight to the product in the ad, not the homepage of the site. So, if your ad is about external drives, people clicking on the ad should land on a page that features external drives and nothing else. So many advertisers get that wrong. They make their ads to go to their homepage and expect the visitor to find the product they were looking for. Obviously that just introduced another step in the process that doesn't need to be there.

Terry:
Okay. So I don't want to send somebody to my homepage that has external drives listed somewhere on that homepage. I want to send them strictly to my external drive page.

Phil:
That's exactly it. That's it in a nutshell.

Terry:
Okay, cool.

Phil:
Now about what's included in the ad, there are two important points and some supplementary points that usually achieve better results. One of the most important ones is that the search term is included in the ad in bold letters. We just mentioned the dynamic keyword

insertion facility earlier. You can imagine that having letters appear in bold will far more likely get people's attention, than if they're all in the normal font face.

Terry:
Right.

Phil:
That invariably increases the amount of clicks that you get. What most marketers call the click through rate will go up considerably if you have the keywords in bold lettering in the ad. You should always have the keyword in the headline if it's possible.

The second thing is to try to include a strong benefit of your product in your ad. Don't make the common mistake of confusing benefits with features. Features are the technical specifications of the product. What you want to communicate is the benefit that your customers will experience with your product, rather than some technical details about it.

Terry:
Okay. Can you give me an example? We can use a hard drive for example. What would be a feature as opposed to a benefit on that hard drive?

Phil:
The feature might be that it can write at 16 times or 32 times. I'm not a technical person, but from what I understand, it refers to the amount of times that the product can write or read the disc quicker than just playing an audio disc. If you mentioned 16 times, that is a feature of the product. If you say wide compatibility, that is a benefit of the product. In the person's eyes who is reading the ad, they see that as a benefit because it will work with anything they have. Knowing it writes at 16 times doesn't mean anything to you unless you know the ins and outs of computers.

On a small business website, the feature are about the products and the benefits are about the customer. You just have to make sure that what you're telling people is about them and not about your product. Of course, that's going to be different things for different products. If I had more time to think about it, I probably could have come up with a better example.

Terry:
That's okay. So, basically you have a drive that's 16 times. That's the feature. Basically the benefit to that feature is that this drive is faster than anything I've seen before. So, the benefit that I'm going to put into my Google AdWords is, "My external hard drive saves you time," or, "It's extremely fast," because those are things the customer cares about.

Phil:
Yes. That's a better example than mine.

Terry:
That's just working with what you said; it's going to save me time because it's fast. Okay, cool.

Phil:
Those are two major points. Another is trying to start every word with a capital letter. That invariably improves the click through. We found that it could improve them up to 100% with various ads we've tried. We're always split testing ads so you can very easily and quickly determine which ads perform better just by changing a small detail in the ad.

Secondly, a supplementary point if you will, is to capitalize words in the domain name if they're relevant to the product. If you have a domain name that reflects the name of your business, then there's no benefit to capitalize that. But, if you have a name that is HardDrivesOnTheNet.com, or something like that, that's relevant to what's in the ad. We found that the simple change of capitalizing every letter in the domain name could increase the click through rate by 50%, which is staggering, really. Very small changes could make very big differences with AdWords because you're working with such small amount of characters in the first place.

Third, don't try to sell in the ads because there's not enough space and that's the job of the webpage. Your only aim is to get targeted visitors to click on the ad to go to the webpage, which should be the thing doing the selling of your product or service.

Terry:
Okay, so all I'm looking at doing is listing my benefits and my website.

Phil:
Yea. Try to get the actual search term that someone would use in there as well.

Terry:
Okay. You mentioned that you're tracking and testing. Are you using more than one ad for each campaign or each group?

Phil:
Google has an excellent facility that you can have any number of ads written for each ad group. They alternate between the ads so they all get the same amount of displays. Never just write one ad; this facility exists to give you the results of two ads. So, if you had two ads, one of them won't perform as well as the other one, and you can just throw away the one that doesn't work as well. Then, you can write another one to replace that one and compare that to the ad that did better than the first one.

A lot of people might already realize that in advertising and marketing terms, this is called beat the control. You start off with two ads, see which one performs better, keep that one, throw the other one away, write a new ad that will try to work best in the first place, and continue doing that process until you're satisfied and convinced that you have the best ad you can for each ad group.

Terry:
Then do you run the one ad or leave it at two?

Phil:
I'd run the one, and then make a very small change for the second. Capitalize something. Change the domain to having a slash at the end with the product name after it with a capital in the beginning and then small letters or something like that. It's amazing the difference that these small changes can make in using AdWords.

Terry:
What do you use as a basis? Do you get very specific? For example, I took your book and put it to use on a site that I'm working on right now. Following your principles and the procedures that you have, I have two ads running. One of them is sitting at 174 clicks and the other is at 163. So, they're extremely close; they seem to be working at about the same. At what point do you scrap one and do a new one? For me right now, I feel they're both doing pretty much equal.

Phil:
The interesting thing is… I'm assuming that, if you followed the book, that you made sure that Google is displaying both ads equally.

Terry:
Yea. One is getting 50% and one is getting 48.9%.

Phil:
Brilliant. What are the click through rates on the two ads? Did you start them both at exactly the same time so the click through rate is as close together as the amount of clicks?

Terry:
Yea. I'm not online right now, but I think they is something like a .5% difference between the two. I've only been doing it for about 24 hours, and there is only a very slight difference. Should I run it for the next three or four days and see if I get some changes?

Phil:
I was hoping to get an opportunity to put this fact in because it's such a useful fact and it took ages to find this detail and test it. As a rule of thumb, you don't need to get anymore than 30 clicks before you can comfortably predict the long-term performance of two ads. Providing you have 30 clicks on each, if one is performing better than the other one, there is a 90% chance that that's how it will continue over time.

Terry:
No kidding?

Phil:
Yea, so you don't need to wait for hundreds of clicks. Having said that, if the two ads that you're running are that close together… are they different ads or just slight changes with the same ad?

Terry:
They're actually quite different.

Phil:
That is staggering; that's very unusual.

Terry:
Yea, I put two totally separate ads together. It's for a palm reading product. One of them focuses on, "Learn what's in your future. Future, wealth, and love," or something like that. The other one is,

"Stop getting palm readings. Do it yourself." Those are basically the two focuses. They go from totally different angles and have about the same number of click throughs.

Phil:
Without giving me exactly, what kind of click through percentage is that getting?

Terry:
They're sitting at 3.1% today, I think.

Phil:
That's pretty good. What I suggest is that if you had two ads that are that different, but are performing very similarly, then I'd just change to another ad. You could do two things: you could change to another ad, or, the one which is slightly better of the two, reverse lines two and three if it still makes sense. You'll find that such small things make big differences. Even very experienced and very expensive to hire copywriters can't tell you which ad will perform best. The only way of knowing is to make a slight change and run with it. But, don't go past the 30 clicks.

You don't need to spend much to test how a new ad is performing compared to the two you already have which seem to be performing pretty well so far.

Terry:
Right. That's about two dollars worth of testing and about three hours worth of time.

Phil:
Yea. It's so quick to test different ads with AdWords. Most people who can't spend that much time working with AdWords probably look at it every couple of weeks. The clicks build up. Most people put one ad in. If that ad isn't working, they might put in another ad. Most people don't actually run two ads side by side, so you don't have the measure of it. Google provides such a great facility for you to use that it's almost sinful not to use it.

Terry:
That's cool. You've been doing AdWords for the last couple of years. Do you have a real huge success story? Or a really successful campaign that sticks out in your mind that you can share what you did and why that one worked so well?

Phil:
Sure, just one example that worked really well was this company that we used AdWords for the first time by following all the steps in the draft of my eBook to make sure that the whole thing panned out as I thought it would. They were using Overture for about 18 months. To be honest, I didn't have much faith that they were going to check out AdWords because they were quite satisfied in Overture. It was definitely the better known of the two pay per click search engines at the time. They just stuck with Overture. They did some work and felt that they were maximizing the benefits that they were getting from it.

So, they were reluctant to try AdWords, but they did try it and they were so surprised at how successful it was. They generated more traffic to their site using AdWords in three days than they were getting in a whole month using Overture.

Terry:
No kidding.

Phil:
In fact, after one week they had to pull their campaign because they couldn't handle anymore work. That's a nice problem to have for most businesses. A lot of people are probably familiar with Alexa.com, which is a tool you can use. It's not 100% accurate, but statistically it has enough users worldwide to be a measure of popularity in terms of the traffic it gets compared to another.

When they started, their position was about a million, with one being the site that gets the most traffic on the Internet and five or six million being the lowest. Then, within 24 hours, they went from over a million to 219,000. Just by the use of AdWords in their campaign. I thought that was pretty impressive.

Terry:
What was this for? What kind of company is this?

Phil:
It's actually a company called Gem Merchandizing, which specializes in merchandizing within multiple chains in the U.K.; it's a purely U.K. based company. They do work for some big DIY companies in the U.K. It started off pretty small, but it's growing into a sizable company. They have to pull the campaign because they couldn't handle all the work.

Terry:
How did your AdWords campaign get put together? What did you use for the headline and two lines of body copy and what not?

Phil:
What they used was based on what they've used over time with Overture. As I said, they were working for overture for about 18 months before they tried AdWords. They honed their ads over time. They gradually improved their click through rate using Overture. They were in a position where they were able to do condensed versions of those ads to use in Google. They virtually worked well from day one. They had a number of different ads running on Overture, so they had a number of different versions for when they converted those ads and reduced them for the amount of space you can use in AdWords.

They had probably ten ads they were using. Out of the ten, two or three were working remarkably better than the others. So, they used the format of those to put in the other ad groups. It's basically that they started off with two ads in each ad group. They had experience with those doing great with Overture, so their starting point was almost sure to give them good click through rates. They just tweaked them. They went into their AdWord campaign a couple times a day and just looked at them. You can tell they got an increase in traffic situation very quickly.

Terry:
That's a good problem to have. What about the other side of the coin? What about a campaign that bombed on you?

Phil:
In terms of campaigns that didn't work, in my experience, that's rarely due to AdWords itself. Fundamentally, if an AdWords campaign is set up correctly, it has the ability to drive traffic to your site quicker than virtually any other method. The whole traffic generation thing is a little bit chicken and egg thing because if your website doesn't convert any visitors to buy, it doesn't matter how much traffic you get. And, if you don't get much traffic, you can't perfect the selling process of your website.

Statistically, the vast majority of commercial websites don't sell anything. That's not going to change just by throwing traffic at them, obviously. It must be true that the more traffic you get the more chance you have at making any sales at all. So, another excellent use

of AdWords that we send to people is to use the campaign to get a steady stream of traffic and use that traffic to improve the conversion rate of the website (the percentage of the visitors who buy your products or provide leads for your business).

As often as they're over looked, the starting point for a website should be AdWords because very quickly, very cheaply, and very cost effectively, it enables you to check the whole sales process of the website.

Terry:
Right. So you can actually put up a website, start throwing some traffic at it, and see if it works. If it doesn't, you can stop your ad campaign, rework the website, start up some traffic, and see if the new copy works.

Phil:
Yea, absolutely. There are some fundamental design elements of webpages that you know about to give you the best possible chance of selling a product or a service. That's more in the copywriting field than the AdWords field, obviously. The majority of websites that businesses have created tend to be created by web designers rather than people who design websites who sell anything. There's a big difference between the two. A website that has a nice flash animation when you go to their webpage might look great, but it does a lousy job of selling, typically.

Just basic things that people should do, like putting a headline on the page, makes a huge difference in the amount of people who read further down the page. We probably don't have time to go into copywriting and conversion rates of websites; that's another discussion. But, AdWords does give you the capability to check whether your website's sales process is working or not very easily and cheaply.

Terry:
Yea. Eventually, it will be a fantastic stream of traffic flowing to your website, but in the beginning, you can use it to test the copy on your website and see if your copy is working okay.

Phil:
Exactly. That's right. I don't think there is any better way of checking it.

Terry:
No, that's perfect because you have targeted visitors and they're coming in very quickly. Like you said, if you only have to test 30 and see which ad is working. Then if 30 people come into the website and you don't make any sales, is that also a good way to measure? Or do you need more than 30 to test it?

Phil:
Well, I don't think 30 is anywhere near enough. When we talked about 30 clicks before, it was to be able to determine which ad is performing better out of the two ads. In terms of how many visitors you need to a website to quantify how the website is converting visitors to customers, you need a lot more than 30. The vast majority of commercial websites don't sell anything. A very good conversion rate on a website might be one percent. So, if everything worked out evenly, you'd need 100 people to visit a website before you could expect a sale.

Terry:
Okay.

Phil:
And that obviously wouldn't be enough to measure. What we normally recommend to people is that you need 500 visitors to get a feel for the website conversion to sales or leads, depending on what your business is, and to establish if it's working or not. If you look at that and compare the cost of 500 clicks virtually to any other means of getting traffic to a website, it's still quite a low business expense for most businesses.

Terry:
Exactly. For sure. Talking about businesses, is it possible to use AdWords for any type of business?

Phil:
It certainly is. Clearly, some businesses are going to get more benefit from AdWords than others. There are certain sites that AdWords won't let you use their service for, however, including things like gambling. If you have a popular kind of product that a lot of people are searching for, then clearly you would generate more traffic using the right keywords for that website than you would with a very small niche area which might not have many people searching for it.

Of course, whichever way you look at that, Google is the most popular

search engine on the planet, so you have a better chance getting traffic from Google than anywhere else. Everything is relative. If you struggle to get people to your website because you're in a very small niche, or your product isn't one that generates a lot of sales anyway, then Google must do better at getting traffic than any other method you could use.

Terry:
Great. Exactly. How much time would you spend doing something like that? You set up an ad, you test and rewrite your ads, monitor your keywords, and those kinds of things. How much time does it take before we can get a feel if the ad is working and sending people to the website?

Phil:
That's another good question. I think it's a little bit like asking how long a piece of string is. AdWords campaigns can have a very simple structure if you only sell one product or service, but a sophisticated structure if you have something like the computer business we spoke about earlier with 100 different products in distinctly different groups. What I always suggest is that people login to their account a couple times a day when they first get set up. It takes time to get used to the layout, interface, and how AdWord works.

You need to start out with two ads per group, as we already discussed, because Google gives you that functionality and facility. I think the other thing is that you can spend too long on it and not really get any benefits. So, if you login a couple of times a day to get familiar with it, that's fine. Wait for the 30 clicks on ads before you make a change.

Once a campaign is mature, set-up, and has been running for some time, you probably only have to go into it about once a week and just satisfying yourself that everything is doing what it should be. So, it's not a big time investment in the long-term. Comparing it to the benefits it can have for a business, like the business we were talking about earlier, the benefits for the investment in time and effort for setting up the campaign are enormous.

Terry:
So, for the first couple of weeks you should keep a fairly close eye on it. Then, once you have it working on autopilot, just let it run.

Phil:
Yea. I would still advocate that people have look at it once or twice a week. Obviously things can change. A classic case that we already talked about is those oil paintings from photographs weren't getting any searches at all five or six years ago when we first started that oil painter's website. Now, those terms are getting used as search terms. I think that reflects the fact that people are changing their habits in terms of how they use search engines and people are tending to put more terms in.

Five or six years ago, people would have just put in, "paintings," now, they're thinking specifically for what they're looking for. You can't really ever just forget all about it, and I don't advocate that people should do that. I just want to make the point that it's not a big time investment compared to the benefits you get and the return on investments that you can get from AdWords compared to virtually any other means of promoting a website.

Terry:
Yea, absolutely. Do you have any resources that you use on a regular basis? You mentioned Good Keywords for pulling out the keywords to use on the campaigns. Do you have any other resources, software, hardware, or anything else that you use whenever you're creating your AdWords and the whole campaign?

Phil:
Yes. I think it's quite difficult to give a list of domain names during a conversation, but I set up a page on a website which gives people some tools and resources that we use ourselves and find very useful. People can have a look at those if they want to. The page is on www.Small-Business-On-The-Net.com/TerryTelford.

Terry:
Okay. That's one big URL. That sounds good. You've given us a huge amount of information, Phil. People can take the information that you've shared and improve any campaign that they're working on. Do you have any last comments or words of wisdom that you'd like to add before we wrap everything up?

Phil:
There is one major thing that we haven't talked about yet, which is instrumental for the benefits that you can get from AdWords. That is tracking. You can't measure what you don't track, unless a business has some means of tracking the results of particular ads from the

moment their clicked on to the end of the process where they either make a sale or generate a lead for their business. You can't hope to determine it to be as successful as it can be or not.

There are various means of tracking; Google actually provides its own tracking tool. There are all sorts of tracking tools on the market; I'll make sure there is one on the page I mentioned just to give people a feel for the thing I'm talking about. If you already have a web statistics service that you use to give you indications of how many visitors have gone to the pages on your website during certain periods of time, you'll often find that you can pay a little more so the facility will track right through to the sale.

Obviously every ad that you write, if you make sure that has a tracking link, then you can define exactly the outcome of that click on your ad, as to whether it results in a sale or a lead for your business. The whole thing with AdWords is that you make sure you set it up so the return on investment is measurable. One of the tremendous benefits of a web business compared to the offline world is that virtually everything is measurable. Not just for AdWords, but as far as website promotion by any means web business choose for their websites. You need a way of tracking it.

AdWords isn't unique in that sense. Tracking things from start to finish is just another thing that will benefit your web business.

Terry:
Okay, that's perfect. Another thing that we neglected to mention Phil is where people can go to pick up a copy of, How to Succeed with Google AdWords.

Phil:
I'll make sure there is reference to that on the webpage as well so I don't have to give out another URL that people are going to struggle to write down.

Terry:
Is it a big one?

Phil:
Yea, it's big.

Terry:
Okay. I'll leave it in your capable hands. We'll let people go to the reference page.

Phil:
Fantastic.

Terry:
Alright. You've been listening to Phil Chapman from, <u>How to Succeed with Google AdWords</u>, and Terry Telford from TheBusinessProfessional.com. Thanks very much for your time.

Phil:
Thank you.