DESTROYING ADWORDS
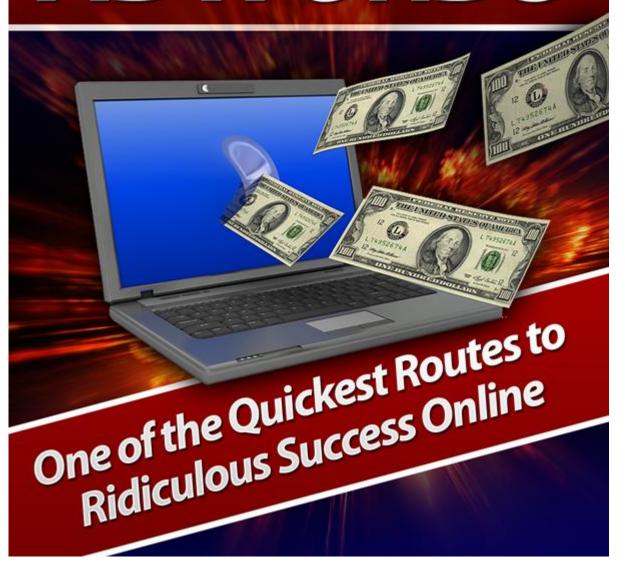
One of the Quickest Routes to Ridiculous Success Online

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AdWords and Your Business

Adwords or Pay-per-Click (PPC) advertising is, essentially, the 21st century equivalent of direct marketing, allowing advertisers to test ideas in hours rather than months; and it can be done very effectively for a few hundred dollars and certainly considerably less than thousands. The big advantage of this approach is that you can save yourself a lot of money in the long run and take away the majority of the risk involved with starting a new business.

You see, as a new entrepreneur, before the internet became so widespread, you would start up a business based on an idea you hoped would be appealing to customers. Unless you had a lot of financial backing there was no way you could research whether or not your new business idea was profitable or not. It would require employing a market research firm and spending tens of thousands of dollars on investigating the market. Most entrepreneurs don't have access to that kind of money and even if they did, they might feel it would be spent better elsewhere such as on product or service development, marketing or other areas; and certainly not on simply researching the idea.

However, with PPC mechanisms, including AdWords, small business owners can now simply offer online visitors an idea and immediately test their response to it to determine whether or not it will profitable. The advantage is that this can be done with very little expenditure and it can be done in a short time span rather than having to wait for months or weeks. Essentially, you are asking the market what they want and they are answering you in real time.

Unfortunately, few people realize the power of the internet when it comes to market research and so they view it simply as a way to more easily put their product in front of their market, still just hoping it will sell. They take a "build it and they will come" approach when they could save themselves a lot of time, money and agony in the long run by properly researching their market first.

Now, the power of PPC advertising lies in the fact that you can advertise directly to your target market, in other words the people who want to buy what you are selling right now. Additionally, you only pay when they click through to your site and the price you pay for each click is based on the true market value of the prospect.

Likewise, PPC allows you to test, tweak and improve your sales funnel virtually on a daily basis which can allow you to reach extraordinary conversion rates. As long as you understand the simple principle that you should focus on conversion rates as much as CTR (click through rate), then you can indeed take your business to the next level using these tactics.

If you are solely focused on how many visitors you get to your site, then no matter how little you are paying per click, you can still end up in the red. So a central principle if that your main focus should be on click value or, in other words, how many clicks it takes you to make a sale.

For example, if you are selling an eBook for around $30 – this could be on any topic - and you are paying $0.5 per click on your keyword, every 500 visitors to your site will cost you $250. Now, if your sales funnel is not properly set up or your ads aren't targeting the right people you could end up either not selling anything or making no more than one or

two sales. Basically you could end up spending $250 to make $60 (2 sales) – it goes without saying that this is not a great Return on Investment (ROI) when you are selling your eBook for $30.

When people are new to the concept of Adwords, however, this can be a quite common experience. Many people fail with PPC, because they overlook the apparently obvious, which is that the amount of traffic is not as important as how well that traffic converts. And conversion rates are affected by a wide range of variables, from choosing the right keywords - as each keyword will attract and different type of prospects - to writing effective ads and having a well-optimized website landing page.

The Profitability of Your Market

As we previously mentioned, the internet is an absolutely invaluable tool in researching your target market and you shouldn't even consider spending money on AdWords, building websites, creating products or anything else until you know your market. The difference between a professional marketer and someone who is dabbling is that the professional will first find a market and then look for a product to sell to it whilst an amateur will try to find a market to sell their product to.

Did you get that? Find your market first, find out what it wants and then become the source, the provider, of that information. This principle alone has the power to elevate your internet marketing to a new level if you make proper use of it!

The first law of marketing, then, is to understand your target market first and then offer them something that meets their needs. Today, the internet is giving you the ability to learn about your market at the click of a button with very little expense, which is why this is the first step you should take, no matter how many wonderful ideas you think you may have.

The Step by Step Process

Determining whether or not a market is profitable is simply a matter of finding out whether or not people are spending money in that market.

First of all, you need to determine the amount of searches that keywords receive in the market you are targeting. So, for example, if you are considering getting into the tomato-growing market, run a search for "growing tomatoes" in the [Google Keyword Tool](#) and see the amount of searches that people conduct on a monthly basis.

If the average number of searches is above 1,000 then you might be looking at a lucrative market. However, you have to determine whether or not people are spending money in this niche because they might be simply searching for free information. One excellent way to determine whether or not the market is profitable is to see whether there are a lot of advertisers in that niche. If people are advertising then it's safe to say that people are spending money in that niche.

To do this, all you have to do is search for your keyword in the normal Google search; and if the results show more than about six advertisers you can safely assume there is money in this particular market. You can also verify the results by checking Amazon.com because if there are books and magazines dedicated to the subject then the likelihood of it being a profitable market are even higher simply because there wouldn't be any magazines on a topic if people weren't willing to spend money on them.

The Mechanics of a Campaign

PPC campaigns are simply a matter of finding keywords in your market, writing ads, bidding on your keywords and then watching the traffic flow in. However, there are many more variables involved in being successful with AdWords and PPC, or everyone would be out there doing it and raking in the cash wouldn't they?

You need to first understand who your prospect is so you can make sure you are picking the right keywords. Then, you need to group those keywords so you can test their effectiveness, split test ads all the time to improve your conversion rates and thus your click value, use negative keywords, keep your quality score high, make sure that your landing pages are well optimized for high conversion rates and so on. While the process itself is quite simple, it can be mistakenly perceived as being too simple which is why many people actually lose money with AdWords.

You can either run an AdWords campaign or you can run a successful AdWords campaign. We think you probably want to do the latter. The steps to creating your own AdWords campaign are pretty straightforward as you will see below. However, pay careful attention because it is these variables that will take your campaign from barely converting to highly successful.

Building a Campaign: The Step By Step Process

1. Research your market and find a product you wish to promote that is in high demand or create a product of your own.
2. Conduct keyword research. Use tools such as Google's Keyword Tool to find the terms people are using to search for a solution to their problem that is related to your product. You need to research laterally as well, not merely vertically. In other words, instead of simply drilling down, "used cars" to "used blue cars" to "used blue cars 2007", you should also search for synonyms and related terms such as "used blue sedans", "second hand cars" etc.
3. Check the competition. For each of your main keywords you need to check the competition you will be up against. You can do this simply by searching for your term on Google and seeing how many ads show up. While you don't want too many competitors, at the same time you shouldn't jump with joy if there are no advertisers. Usually, this means that there is little money to be made in the market. So, for example, if there are more than a hundred advertisers, that is pretty stiff competition and you might want to find a different keyword to start with. On the other hand, if there are less than fifty, while not easy, it's not quite as tough and you could eventually dominate the niche.
4. Create different ad groups with one main keyword or phrase per group. Each group will feature a different ad. Also, research an additional 10 or 20 keywords related to your main phrase for each ad group.
5. Write your ads. Use the same copywriting principles you would for crafting a sales page, namely AIDA (Attention – Interest – Desire – Action), to craft effective ads. Create a different ad for each of your keyword groups and make sure to include your keyword in the headline as this has been proven to generate a higher rate of conversions.

6. Track your campaigns and split test ads so that you can constantly improve and generate more profitable clicks. In fact, this is vital to taking advantage of PPC because even <u>minute</u> changes can severely affect your click through rate (CTR) as well as the number of sales you generate. The best part is that you will have results in hours or days rather than months, since you can use tracking software that offers real time information.

Of course, you will also have to set up a Google AdWords account, where you can set your daily budget as well as the maximum CPC you are willing to pay for each keyword. Once your daily budget has been met, Google will simply stop showing your ad for the remainder of the day. This is why there are many who advocate that it is better to set a lower CPC rather than lowering your budget because it's better to be shown on the eighth position of the list for the whole day rather than the second position for part of the day. There are also some statistics that show ads in lower positions tend to generate more sales and convert better.

The Lifeblood of Your Campaign

Keywords are nothing less than the lifeblood of your campaign simply because they are what your prospects are using to find solutions to their problems. If you can't find these keywords then you won't be able to find your target market, you won't receive any clicks, you won't generate any leads and you will certainly not make any sales.

However, merely finding these keywords is not enough. You need to understand the mindset of the person searching for that particular keyword. Different keywords and combinations will signal the stage at which a prospect is in the buying process. For example, someone searching for "baby strollers" is most likely still in the research stages while someone searching for "used pink McLaren stroller" is much closer to actually making a purchase. In other words, the more specific the keyword, the higher the likelihood will be that the person will make a purchase.

Keywords can reveal incredible amounts of information about your prospects, from their degree of knowledge on the topic to when they intend to buy and whether they are researching or ready to buy. The more you understand these prospect cues, the more effective your advertising and sales funnel will be. For example, someone searching for "tropical vacation packages" is still in the research stage whereas someone looking for "cheap Fiji vacation" is much closer to booking the vacation.

Finding Your Keywords

Your goal with your AdWords campaign should be to generate as many clicks as possible that lead to a sale. This is extremely important to understand because, as we have discussed, you could generate a lot of traffic that doesn't convert which will only lead to an incredibly high cost per sale and you won't see any profit from your campaigns.

The strategy to identify keywords is quite simple. Just start with a list of the most obvious keywords, then branch out into related terms and synonyms. Test your keywords to get rid of those that aren't converting and replace them with others. You can find your initial list of keywords using services such as the Google Keyword tool or Wordtracker.com. Then you can use Google's Wonder Wheel or Related Searches to branch out laterally into other keywords.

You need to compile a list of keywords that best match your ideal customer. So, for example, if you are selling homeopathic sore throat remedies then your ideal customer would be someone who prefers natural treatments and has a sore throat. Yes, much of this analysis in the beginning is quite subjective, but in time you will be able to test and collect much more relevant data which will help you even further with keyword research.

One highly effective way to find a lot of terms for your niche is to simply go to the library and look at the glossary and index of books in your niche. The majority of the terms used in the titles and indices will be highly relevant and indeed, keywords that people actually want to know more about. You will be able to find lots of keywords that convert and that aren't expensive, from a PPC stand-point, either.

Keyword research is an ongoing process that simply never ends - not if you want to be successful, that is. The longer your list of keywords, the easier it will be to find untapped markets, lower your costs and increase your click through rates. Therefore, never underestimate the value of time spent on doing proper keyword research.

Exact, Phrase or Broad Match?

A good strategy is to start off with exact match keywords and then, when you identify which ones convert best, turn those into broad and phrase matches.

Exact match keywords means that you place your keywords in brackets [] and only people searching for that exact term will see your ad. So, if your keyword is "blue cars" then your ad will show up only when people type in "blue cars" exactly and not "buy blue cars" or "used blue cars" or even "blue car".

Phrase matches allow you to access a wider target market. These keywords are contained in quotations "" so, continuing with our same example, "blue cars" will show your ad whenever people type in searches such as "used blue cars", "big blue car", "sell blue cars". On the other hand, your ad will not show up for a search such as "blue used cars".

Broad match terms are those without delimiters so you would simply type your term in as *blue cars*. If you don't add negative keywords your ad will show up for everything from *blue cars photos* to *a blue sedan type car that looks cool.*

The reason you want to bid on phrase and exact match, as well as broad, is that you will gain a better understanding of the market and you will often have a higher CTR with a lower bid price. So, you should start with up to 10 exact match keywords. Some of these will generate traffic and convert while others won't. By using exact match you will discover this with the lowest amount of risk.

Once you establish exactly which keywords are generating qualified traffic, then you can turn those keywords into broad and phrase matches. This will allow Google to automatically find similar searches that match your keyword and show your ad to those users. This approach will afford you less control but your traffic will increase over time. However, before you turn-on broad match keywords for your campaign, make sure to include a list of negative keywords as well which will give you more control over who sees your ad and who doesn't.

Negative Keywords

While being extremely simple, negative keywords are probably one of the most effective yet overlooked tools when it comes to AdWords campaigns. These are simply terms that you enter, with a minus sign (-) in front of them, for which Google will never show your ads if they are typed in to the search box.

One common example is for people searching for free stuff. So, you would enter –free in your list to make sure your ad never shows up when people are entering the word "free" into their search. By excluding a lot of irrelevant traffic you will find that your click value increases immeasurably and you will also be saving a lot of money in the long run.

Of course, negative keywords will not make any difference whatsoever if you are bidding on exact matches [using brackets] but they are vital to phrase or broad match searches.

Writing Effective Ads

Google allows 130 characters, including spaces, in an ad. You may be relieved, thinking that it can't be hard to write a short ad. Unfortunately, it's actually a lot more difficult to create an effective ad when you only have 12 words to do it compared to the space that a landing page allows.

Your ad needs to capture the attention of your prospects and make them curious enough to want to take action immediately and click through to your site.

And you need to achieve this with only 130 characters!

What You Want Your Ads to Achieve

You would say that the goal of your ad is to convince prospects to click through to your site, right? Whilst this is true, it is also only one of the goals your ad should achieve. You do want to generate clicks from qualified visitors but you also want to discourage visitors that are unlikely to convert from clicking; as well as using your ad to set the expectations of your visitors so that your site properly meets them.

Many people have used the *bait and switch* approach in their ads to generate traffic to their website. However, this is not an approach that will help boost your sales and you want to avoid it because prospects will simply leave a site that does not deliver what the ad promises. The result would be that you would be spending a lot of money with very little to show for it in terms of sales. Also, you would be affected by Google's Quality Score and ultimately end up paying an obscene

amount for each click which will likely make it too expensive a game to play for very long.

Likewise, making your ads too generic will attract more clicks but many of those clicks will not convert into sales. For example, if you are selling a course that teaches people French, you might be tempted to write an ad that targets a broader audience with a headline such as "Learn a Foreign Language Fast!" While this approach will result in a lot of clicks, many of them will not convert because you haven't narrowed your market down to people who want to learn French specifically.

Crafting a Click-Generating Ad

If you want your ads to be effective then you need to understand your prospect. You need to talk to them and show them how your product will solve their problems, and you need to do it with less than 130 characters.

The first step to creating effective ads is to not assume your customer knows more than they actually do. For example, a person with a sore knee is not going to be searching for "displaced knee cap", they are simply going to look for "sore knee". So, they are more likely to click on an ad that promises them to explain the various reasons for a "sore knee" and some solutions than an ad that gets overly technical.

You need to make sure that your ad grabs the attention of your prospects. The way to do this is through effective headlines that contain the keyword you are bidding on. Studies have shown that you can virtually <u>double</u> your CTR simply by including the targeted keyword in your title.

Another highly effective headline technique is to ask a question which will get your prospect thinking. If your question is compelling enough and so are the answers in the body of the ad, your results can be incredible.

Your ad also needs to show your prospects the benefits they will have by purchasing your product rather than the features your product offers. It's the classic case of people "want holes, not drills." However, if your product has unique features compared to similar products on the market, you should tell your customer because this is your USP (unique selling proposition).

Your ad should also contain a call to action because once you have the attention of your prospect and have drawn them in and piqued their interest you need to explain to them what they need to do. One way to use this effectively is by advertising any promotions or giveaways you may be offering at the time. However, make sure that the ad takes your prospect right to the page where they can get what your ad promised them. Remember, you need to deliver on the promise of your ad every time.

Cost Per Click v Click Value

The CPC or cost per click is essentially the amount you will be paying for each click on your ad. So, if you are in the currency trading niche and want to advertise on "forex" you can expect to pay anywhere from $1 to $8 per click according to Spyfu.com. Therefore, if 200 visitors click through to your site you will end up spending around $1,000 if we take a $5 average per click.

Your click value is the income every click generates. Thus, continuing with our example, if you are selling an automated Forex trading robot at $350 and you made five sales to those 200 visitors that equates to $1,750 in revenue. The click value is equivalent to dividing your revenue into the number of clicks that generated it and in our case equates to $8.75 per click.

Therefore, the higher your click value and the lower your CPC, the higher your profits will be. This is why it is absolutely vital that you focus on improving your click value just as much, if not more than lowering your CPC. While it's true that the internet, and Adwords in particular, is a numbers game, you can still lose a lot of money if your traffic isn't converting so be sure that you are only driving highly targeted, qualified traffic to your offer or you can end up losing a lot of money, even if your site gets millions of visitors per month.

The Google Quality Score

Once upon a time all you had to do was slap up a one page website with nothing more than an offer and set up your PPC campaign. You would then watch in awe as the traffic flowed, sales were made and money rolled into your bank account.

Unfortunately, that no longer flies with Google or the consumer. You need to understand that Google wants to offer people a great user experience with their search engine and their ads by offering relevant and quality results. The more relevant the content, the more people will trust Google search results and ads, the more they will click on those ads and the more money Google will make. It all comes down to economics.

Initially, advertisers who used ads or bid on keywords that were not relevant, or had sites that did not offer quality content were simply blocked from advertising. However, their pleas to be allowed to advertise as well as the power of Wall Street forced Google into the position of allowing them to advertise. However, they found a solution. The more irrelevant the content or ad is, the higher the cost per click to the advertiser.

This system was implemented in 2006 and is known as the Quality Score. The higher your Quality Score is, the less you will be paying per click. This means that you can no longer send people to simple opt-in-only squeeze pages that have little information and won't allow users to do anything else other than sign up. Well, actually, you can, but it will cost you an arm and a leg to do it and most people won't sign up anyway.

Your site needs to offer plenty of quality content that is relevant to your niche. You also need to link to other quality sites in your niche, optimize your site for the search engines and basically offer the user an excellent experience. You will be killing two birds with one stone by lowering your CPC while also increasing the chance of repeat customers, which will increase your visitor value as well as your click value.

Google will show you an overall Quality Score for your website as well as for each individual keyword you are bidding on. You can find this information in your AdWords dashboard. In some cases, where your Quality Score is really low for a certain keyword, you might need to revamp your whole site and sales funnel. In other cases, where your score is average, namely between 4 and 7 out of 10 you might simply need to match up your keywords better to your ads.

Much of your quality score has to do with consumer behavior. For example, if 90% of people leave your site within a few seconds from arriving, this is a signal to Google that you are offering content that is irrelevant and/or low quality; thus, your score drops and your CPC skyrockets. So, you need to focus on offering excellent, interesting content and anything else, such as videos, audios, gadgets and so on to keep people on your site for as long as possible. The more you engage users, the more time they will spend on your site.

Getting More For Less – Split Testing

The value of split testing lies in the fact that you will be able to increase your CTR exponentially in time by identifying what works and improving on it. The idea is that you run two or more ads in parallel for the same keyword and then, according to your CTR, keep the ad that offers the best results. Even a small thing such as capitalizing words in your URL can make a big difference to your results which is why split testing is so important.

Google allows you to easily test different ads against each other by automatically alternating the ads you assign to a specific ad groups. It will subsequently show you the number of impressions, the clicks as well as the click through rates for each ad. While you can test as many ads as you like, its best you stick to only two at a time for faster results.

Once you have at least fifty clicks for the two ads combined you can make a decision as to which ad you wish to keep and which you will toss based on your CTR. Don't rush this part because any less than fifty clicks will not show you an accurate picture and you may end up throwing out an ad that could have converted quite well.

One note, though, is that you need to remember to set Google to show both ads fifty percent of the time each. Otherwise, Google will automatically show the one that is receiving more clicks and you won't gain an accurate picture.

While initially you are probably just looking for the highest CTR, you should wait a little longer if you can afford to and, using Google's conversion tracking, find out which ad has a higher conversion rate as

well. Remember, even if the ad has a lower CTR but generates more revenue, then it's the one you want to keep.

Split Testing Tips

- Have a "control" ad. You always need to keep a "control" version of your ad or landing page so you can compare it to the new ad.
- Record all your changes. There's nothing worse than making changes and finding that a previous version of the ad generated more sales, even if the CTR was slightly lower, but can't remember what changes you made so you can't get back to the older version of your ad. This is why it is vital that your record every minute change you make as well as the date and time you made these changes.
- Be patient. You need to give your tests enough time to generate relevant data and solid numbers you can rely on. Even though you may be tempted to change your ads as soon as you see a few clicks, you need to hold back and wait or your impatience may lead to you losing a lot of money.

What Can You Test?

Well, you can test virtually anything that can be improved, from your ads to your landing pages. In fact, you absolutely should test different landing pages because these are a critical component in your sales funnel. After all, these Google ads are merely you getting your foot in the door. Your landing page is what makes the presentation and then converts the visitor into a customer.

Therefore, the higher your conversion rates the more you will be able to spend on AdWords which will lead to more traffic and more sales.

Conclusion

Make no mistake about it; AdWords is a highly effective system that you can use to drive targeted and qualified traffic to your offers.

You need to remember that converting that traffic is your ultimate goal, which means that you should focus on optimizing your entire sales process just as much as you concentrate on building a successful AdWords campaign. After all, no matter how much traffic you have, if you don't make any sales you will sink faster than the Titanic.

However, if you follow the advice in this guide carefully, you too can begin to dominate your chosen niche, gain access to the astonishing power of PPC and begin completely Destroying Adwords.