

Google and Yahoo Keyword Auctions

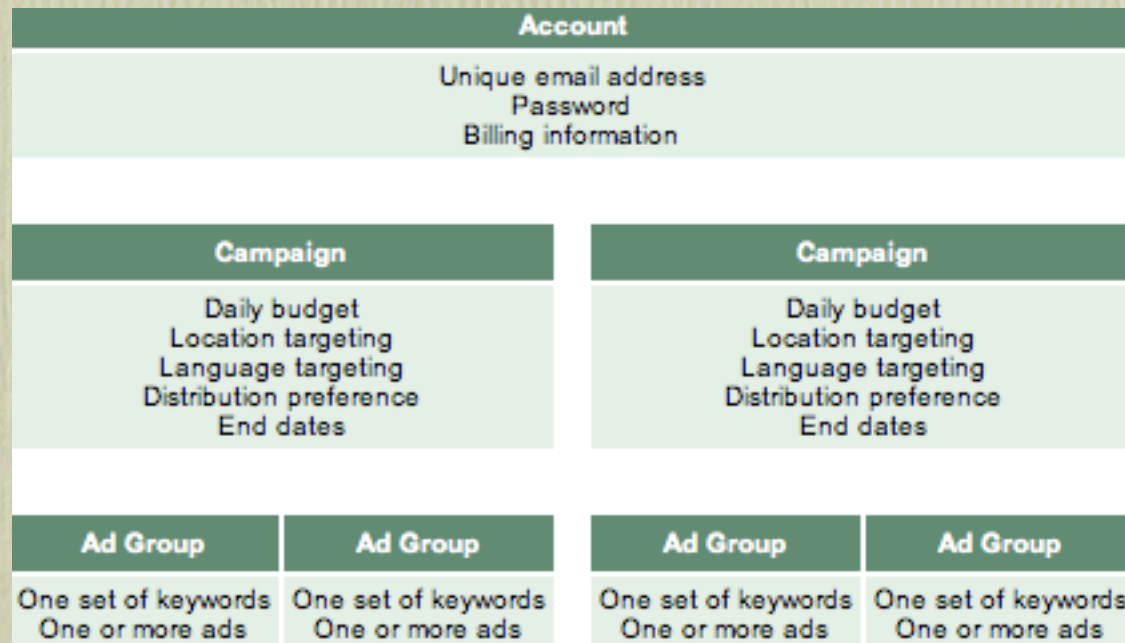
Ryan Gabbard

Outline

- Google Ads Overview
- Targeting Ads
- Content Network and Site-Targeting
- Ad Design Advice
- Tools
- Yahoo Auctions

- Google Ads Overview
 - Account Structures
 - Ad Groups
 - Ad Formats and Guidelines
 - Bidding Process and Auctions
 - Limits on Costs
 - Invalid Clicks
- Targeting Ads
- Content Network and Site-Targeting
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Campaigns and AdGroups



- Can have 25 campaigns and 100 ad groups per campaign. My Client Center can aggregate up to 1000 accounts for third-parties.

Ad Groups

- Can have multiple ads in same ad group.
- Optimize mode
 - Higher CTR ads in a group shown more often.
- Rotate mode
 - Good for experimenting with variations.

Ad Format

- Four lines long:
 - title (25 character)
 - two lines of text (35 characters)
 - link

Link Policy

- Display URL and link may differ to some degree, but display URL must
 - show who owns the destination URL, though they don't need to match exactly
 - must appear to be a viable web address
 - represent a web site (no e-mail addresses)
- Destination URL must be HTML, not PDF, etc.
- Back button must return to Google in 2 clicks
- No pop-ups.

Editorial Policy

- Proper spacing
- No excessive punctuation; only one exclamation point in entire ad; none in title.
- No substitutes for words (“Deals 4 U!!!!”)
- Proper grammar and spelling, except when intentionally targeting misspellings
- No words in all caps.
- No trademarked terms (“free food”?)

Editorial Policy (cont'd)

- Cannot repeat the same word three times in a row
- no offensive language, or obvious deformations thereof
- No “Click here”
- No comparative phrases (“best”, “#1”) unless verified by a third party
- Competitive claims must be supported on the landing page
- Any special offers must be accessible in 2 clicks

How Rankings are Decided

- Generalized Second-Price Auction
- But! You don't choose to enter a particular auction.
 - Assign bids to keywords.
 - Whenever there is a search, you are thrown into an auction consisting of all eligible ads, even if eligible for different keywords.

How Your Effective Bid Is Determined

- Your effective bid is a combination of your bid and a (keyword-tied) quality score.
- “The Quality Score is determined by your keyword’s clickthrough rate (CTR), relevance of your ad text, historical keyword performance, and other relevancy factors specific to your account.”

Limits on Costs

- Activation fee
- No minimum spending limits
- Pay-per-click on keyword targeted ads; per impression on site-targeted ads
- Daily spending budget (averaged out; makes your ads intermittent rather than stopping them altogether)

Invalid Clicks

- detection based on IP addresses, times, duplication, and other click patterns, as well as list of known sources of invalid clicks.
- independent evaluation of Google's invalid click filtering by Dr. Alexander Tuzhilin (NYU)
- bottom-line: conversions-per-dollar rates on Network sites about as high as google.com

- Google Ads Overview
- Targeting Ads
 - Match Types
 - Geographic Targeting
 - Temporal Targeting
 - Position targeting
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Broad Match

- matches if all your words are in a search, in any order, possibly with others.
- *expanded matches* apply
- should be at least two words
- notes these are likely to have more competition and therefore to cost more.

Google: Phrase and Exact Matches

- **phrase match:** “tennis shoes” matches *blue tennis shoes* but not *shoes for tennis*
- **exact match:** [tennis shoes] matches only *tennis shoes* exactly.

Google: Negative Keywords

- If you only sell new books, results for “rare books” do you no good.
- In fact, they hurt by reducing your CTR!
- Keyword tool has “possible negative keywords” mode
- overuse can cause your ad to shown up very rarely

Embedded Match

- May combine other types of matches - e.g. “*Toy Story*” -*[Toy Story]* would prevent match for *toy story* but would match *toy story dolls*

Google: Expanded Matching

- matches your keywords also with plurals, synonyms, and related phrases.
- not determined purely linguistically but also by tracking system-wide keyword performance
- apply only to broad matches
- don't affect your quality rating

Google: Other targeting options

- language
- by country
- region and city (major metro areas in US, Western Europe, Australia, New Zealand, China, Korea, Japan, India, Brazil, Mexico, and Turkey)
- by distance from a certain point. Can use multiple points to create irregularly shaped regions.

Ad Scheduling

- Done at the campaign level.
- Can adjust times when ads run at all, or vary pricing according to time.
- Might use time-based reports to decide which times to choose.

Position Preferences

- can request to be shown
 - only higher than a certain position
 - only lower than a certain position
 - within a range of positions
 - in an exact position
- if your ad would be ranked higher, automatically lowers your bid to rank you as you like
- if constraints cannot be met, ad is not shown

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- Targeting Ads
- Content Network and Site-Targeting
 - Google Network
 - Site-targeting
 - Site-targeting/keyword-targeting interaction
 - Other ad types
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Google Network

- Search network (AOL, Earthlink, ...) and Content network (AdSense for Content)
- keyword targeted ads automatically added in
- you can have different bids for search and content
- keywords matched against site content
- CN ads may be discounted on a per-page basis if data shows the clicks generate fewer actionable results (“smart pricing”)

Google: Site-targeted ads

- target by URL, topics (in an ontology), or demographics
 - demographics are US-only.
 - gender, age, household income, ethnicity, children in household
- pay-per-impression (min 25 cents/1000, recently halved)

Site-targeted v. Keyword-targeted ads

- both types can show up on Content Network pages. Who wins?
- For keyword-targeted, an eCPM is calculated (roughly an expectation of revenue to Google per 1000 impressions). Then s.t. CPMs and k.t. eCPMs compared to find ranking.
- Always charge minimum necessary to maintain your position.

Other Ad Types

- **Mobile Ads:** shorter, “click to call”
- **Video Ads:** user must click to play; CN; limited release
- **Local business ads:** integrated with Google Maps; targeted by location based on user input and IP address
- **Expanded text ads:** one ad fills up the whole ad space. Done automatically, only on Content Network.
- **Print Ads:** tracking services, subdividing large blocks
- **TV?**

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The Buying Cycle

- Awareness, Interest, Consideration, Purchase, Retention, Advocacy
- Target people in each stage separately
- Negative keywords useful:
 - *-free*: you want people who will buy stuff
 - *-information/info*: filters out early stages
 - *-“how to”/ “what is”*

Designing Good Ads

- Include keywords in your ad text, especially in the title. Keywords are bold in ad text.
- Since users search for products and services more often than companies, but that in your ad title, not your company's name.
- Highlight what makes you different; special promotions
- Call-to-action: *buy, sell, order, browse, sign up, get a quote*
- including the price can help
- Advertise by location
- Try many variations

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Tools

- Traffic Estimator
- Ads Diagnostic Tool
- Budget Optimizer: Will automatically set bids for all keywords in a campaign to maximize your number of clicks within your budget.

Reports

- Time Ranges (even hourly)
- Varying Granularity (keyword, ad group, etc.)
- Report Center

Tracking Beyond Google

- Track user activity on your own web site with Google Analytics
- Simpler option: Google conversion tracking puts a cookie on a user's computer which can be checked when they make a purchase.
- Google would really like to be able to price-per-conversion!

Google Checkout

- Secure checkout process
- Get \$10 free in sales per \$1 spent on AdWords
- Let's Google track cost-per-transaction

Google AdWords API

- access most data and auctions programmatically
- takes a couple weeks to get a developer key, so if you want one, apply early!

Yahoo Auctions



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Tools

- Keyword Selector
- View Bids
- Return-on-investment calculator (boring)
- CPM Calculator (also boring)

Non-Free Tools

- **Marketing Console:** track effectiveness of your campaign across variety of means
 - \$150-\$1000 / month
- **Search Optimizer** let's you specify CPA targets, etc. and automatically adjusts bids
 - \$250 - \$1600 / month

Notes on Match Types

- **standard match:** exact match + singular/plural variations & common misspellings
- **advanced match:** in phrases, non-contiguous, re-arranged; also matches based on ad and site content
- excluded words

Notable differences from Google

- A single pop-up/partial pop-under allowed on linked pages.
- \$200 “Fast Track” to help people get started
- 40 word titles, 190 word description w/o line divisions
- Prepay rather than mostly post-pay (if account drops below the prior 3 days of click charges, you are charged your monthly budget - min. \$30!)
- bid ties broken by seniority (on per keyword basis)

More differences

- No quality score, but your ads can be not shown if they have a low “click index” (=CTR compared to comparable ads)
- 2 to 3 day editorial approval process for ads
- Interface and help generally less satisfactory than Google
- Matches common misspellings
- Differ from Google in a stronger targeting of businesses without web pages; displays map, address, etc.

Yahoo Publisher Network and ContentMatch

- Mostly big sites: CNN, MSN, ESPN, USA Today, Yahoo itself, etc. (AdSense-like system in beta)
- Can be determined by page content, like Google, but 80% are mappings done by hand
- Also has “user-opted ads” - looks kind of shady

MSN

- behavioral targeting
- low market share (~12-13%)