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this book is worth your time."* Seth Godin, Author, Meatball Sundae

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Howie Jacobson, PhD
AdWords seminar presenter and coach

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**by Howie Jacobson,
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About the Author

Howie Jacobson, PhD, has been an Internet marketing strategist since 1999. He specializes in helping clients use Google AdWords to grow their businesses. Due to the fact that he was forced to study statistical methods in graduate school, Jacobson took to direct marketing as soon as he tripped over it in 2001.

He is the creator of “Leads into Gold,” a home-study course that teaches small-business owners how to become their own direct-marketing agencies. He is also co-creator of The System Seminar’s home-study course, “Internet Marketing for Smart Beginners,” along with System founder Ken McCarthy and Cindy Kappler.

Jacobson has presented at several System Seminar events, at Perry Marshall’s AdWords Seminar, and at workshops and seminars around the world. He is a regular contributor to HorsesMouth.com, a performance-improvement site for financial advisors, as well as a former writer for Vault.com. He is the second-tallest member of Perry Marshall’s AdWords Coaching faculty, and has worked with Marshall since 2003. He leads telephone seminars on beginner and advanced AdWords topics and provides online coaching and support at his Web site, www.askhowie.com.

Jacobson also runs www.loweryourbidprice.com, a company that produces software tools that help AdWords

advertisers and AdWords consultants save time, reduce costs, and increase profits.

Luckily for you, Jacobson began his career as a schoolteacher. He learned through trial-by-fire how to be engaging, clear, and entertaining while providing value and motivating results. He is also a business coach and trainer, skilled in turning learning into action, helping his own clients and a horde of others in association with Bregman Partners, Inc., and The Avoca Group.

Jacobson combines his marketing expertise with his background in and passion for health and fitness at FitFam.com, a resource for parents struggling to raise fit and healthy kids in a crazy-busy world.

He lives in Durham, North Carolina, with his wife, two kids, big goofy dog, and little mountaineering hamster. His lifelong ambition is to bring about world peace through marketing — and after that's accomplished, to play Ultimate Frisbee in the 2044 Olympics in Maui.

Dedication

This book is dedicated to the people I annoyed and ignored the most during the writing of it: my children Yael and Elan, and my wife. Mia, I love you more than any of my favorite song lyrics can say. Yael, continue to strive for justice and keep making the world a more beautiful and unpredictable place. Elan, keep growing strong and true, and share your belly laugh with everyone you meet.

I also dedicate this book to my mother, Lucie Jacobson, whose example reminds me to give generously and live big, and the memory of my father, Joel R. Jacobson, a courageous man with a kind heart and a great squash serve.

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Ken McCarthy is, quite simply, the source. He understood the potential of the Internet long before the dotcom craze, and he has been quietly creating business leaders and success stories for over 14 years. The combination of masterful teacher and brilliant business strategist is a rare one; throw in loyal friend and passionate righter of wrongs and you have Ken.

Brad Hill believed in me enough to get this whole adventure in motion, and he has encouraged me to become the writer my elementary school teachers always said I'd become. Danny Warshay has been a business and life mentor since we met as roommates in Jerusalem in 1986. And Peter Bregman gave me my introduction to the business world when I was a naïve, befuddled PhD freshly minted from grad school. He always encouraged me to ask questions, no matter how stupid, and except for that time when I asked the HR Director from American Express what exactly she meant by "P&L," it all worked out. Without Peter's guidance and wicked humor, my life would be unimaginably less rich.

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Introduction

Most business owners I meet have never heard of Google AdWords. My prediction: If you aren't advertising your business in Google within two years, you're not going to stay in business. The age of the Yellow Pages is coming to an end, and online advertising — led by AdWords — is taking over.

For those who take the time to master this new advertising medium, it's an exciting time. AdWords represents a revolution in the advertising world. For the first time ever, businesses large and small can show their ads to qualified prospects anywhere in the world, when those prospects are hungriest for their products and services. AdWords allows fine geographic targeting, like a Yellow Pages ad, but (unlike the Yellow Pages) *also* allows advertisers to edit, pause, or delete their Google ads any time they like, in real time.

Unlike a traditional advertisement, Google ads cost money only when they are clicked — that is, when a live prospect clicks the ad to visit your site. And perhaps most important, AdWords enables advertisers to test multiple ads simultaneously and to track the return on investment of every ad and every keyword they employ.

Since a click can cost as little as a penny and each click can be tracked to a business outcome, even small, cash-strapped businesses can find AdWords an effective way

to grow without betting the farm on untested marketing messages. Google's ads reach across the entire Internet; in addition to the 200 million Google searches per day (almost 60% of all Internet searches), Google provides search results for AOL, Earthlink, Netscape, and other big Internet service providers. And through its AdSense program, Google's ads appear on sites all across the Internet — in thousands of newspaper Web sites and hundreds of thousands of blogs, as well as on Gmail pages.

Yet few small businesses have ever advertised through AdWords. The pay-per-click technology, combined with the unfamiliar form of direct-response marketing, has so far kept most small businesses away from the potential benefits of AdWords. If few businesses are using it, even fewer are using it wisely. Marketing executives at large companies have been slow to embrace the direct-response model, having been trained in brand advertising that has little place in a results-accountable medium like AdWords.

About This Book

I've consulted with hundreds of AdWords clients over the past several years, working with everyone from complete beginners who didn't know how to set up their account to power users spending over a million dollars a month in clicks. Nothing in this book is theoretical — every concept and strategy has been tested under fire in some

of the most competitive markets on Earth. When you play the AdWords game, you don't have much room to spin failure into success. You either make money or lose money, and the numbers tell the story.

This book strives to explain clearly, in layperson's terms, the AdWords mechanics and best practices for businesses large and small. You will discover how to build smart and elegant campaigns based on an understanding of the direct-marketing principles.

This book isn't meant to be read from front to back. (I didn't even write it from front to back.) It's more like a reference. Each chapter is divided into sections, so you can jump in anywhere and find out how to accomplish a specific AdWords task.

You don't have to remember anything in this book. Nothing is worth memorizing, except the mantra, "Thank you, Howie." The information here is what you need to know to create and manage successful AdWords campaigns — and nothing more. And wherever I mention a new term, I explain it in plain English. When the movie comes out (I'm thinking Kevin Spacey plays me, although Daniel Day Lewis would also be a good choice), these explanations will be in bold subtitles. I rarely get geeky on you, because AdWords is by and large a user-friendly interface. Occasionally I do show off by explaining a technical phrase — feel free to skip those sections unless you're preparing for a big game of Trivial Pursuit — Cyber Edition.

Conventions Used in This Book

I know that doing something the same way over and over again can be boring (the opening credits of *The Brady Bunch* comes to mind), but sometimes consistency can be a good thing. For one thing, it makes stuff easier to understand. In this book, those consistent elements are *conventions*. In fact, I use italics to identify and define the new terms.

Whenever you have to type something, I put the stuff you need to type in **bold** type so it's easy to see.

When I type URLs (Web addresses) within a paragraph, for the rare snippets of code I show you, and for keywords, I use a monospace font that looks like this:
`www.dummies.com`.

What You Don't Have to Read

This is the hardest part of the book for me, because each word I wrote is my baby, and they're all wonderful. Nevertheless, I am contractually obligated to let you off the hook at least a little, so here goes.

You can skip all the paragraphs marked with the Technical Stuff icon. I just put that in because I like



the icon, and to give you confidence that I know what I'm talking about. The sidebars aren't crucial to the plot either, although many of them feature tips and examples from very sharp AdWords users.

If you already have an AdWords account, you can actually skip Chapters 2 and 3, which show you how to set up Starter and Standard Edition accounts, respectively. I discuss the principles behind the settings in these chapters, so if your account is running on the Google default settings, you may want to skim these chapters just to avoid some classic beginners' mistakes.

Foolish Assumptions

As I gaze into my polycarbonate ball (crystal balls are breakable, and I can be clumsy), I see you as clearly as if you were sitting here with me in this hotel lobby in Wisconsin at 5:30 in the morning. You have a barely noticeable scar just above your right elbow where you cut yourself against a pool wall when you were eleven, and you are wearing a plaid watch band.

The foolish assumptions that informed my writing include the guess that the main market for your ads reads and speaks English. If not, no big deal: Just substitute Spanish or Russian or Azerbaijani for English as you read (although the reference to Azerbaijani muffins may confuse you).

I'm also assuming that your AdWords goal is business-related, especially in the way I talk about the desired outcomes of your campaigns — that is, leads, sales, profits, and so on. If you're advertising on behalf of a nonprofit, you can easily substitute your own desired outcomes, including signatures on an online petition, additions to your mailing list, or attendance at an event. Your outcomes can be nonmeasurable as well, such as convincing Web-site visitors to reduce their energy consumption, support a political candidate or position, eat healthier food, and so on.

I make several foolish assumptions about your level of computer savvy. I assume you can make your way around a Web site, including clicking, typing in Web addresses, completing forms, and so on. I assume you have access to a working credit card (no, you can't borrow mine) so you can sign up and pay for AdWords.

I don't assume that you're using a PC or a Mac. You can benefit from this book whatever computer platform you use: Mac, PC, Linux, Hairball (all right, I made that last one up). Some third-party software works on Windows PCs only, but you can accomplish 99% of the tasks in this book using just a Web browser and text editor.

I also assume you can get Web pages created. You don't have to create them yourself, but either through your efforts or someone else's, you can design, upload, name, and edit simple HTML Web pages.

How This Book Is Organized

I sent my editor an unabridged dictionary and told her all the words from the book are in it, and she could decide which ones go where (that's her job, after all). It turns out I was wrong: Google wasn't even in the dictionary (the one I got for my college graduation in 1987), so it was back to the drawing board.

On my next try, I divided this book into parts, which I organized by topic. Google AdWords is the big topic, but much of the book focuses on what you have to do before and after AdWords in order to be successful. You don't have to read it in order. In fact, every time I wrote "as you saw in Chapter 4," my editor sent a slight electric shock through the Internet into my keyboard. So start anywhere you like, and go anywhere you like. If you're looking for information on a specific AdWords topic, check the headings in the table of contents, or skim the Table of Contents.

By design, this book enables you to get as much (or as little) information as you need at any particular moment. Having gotten through college English by reading the jacket blurbs of great novels (this was before Google appeared in the dictionary), I understand the value of strategic skimming. By design, *AdWords For Dummies* is a reference that you reach for again and again whenever

you encounter a new situation or need a fresh poke of inspiration.