

*"If AdWords are worth your money,
this book is worth your time."* Seth Godin, Author, Meatball Sundae

AdWordsTM

FOR

DUMMIES[®]

*A Reference
for the
Rest of Us!*

FREE eTips at dummies.com®

*Inside — your
Google AdWords™
gift card
worth \$25*



Howie Jacobson, PhD
AdWords seminar presenter and coach

*"If AdWords are worth your money,
this book is worth your time."*

Seth Godin, Author, *Meatball Sundae*

AdWordsTM

FOR

DUMMIES[®]

**A Reference
for the
Rest of Us!**

FREE eTips at dummies.com®

Inside — your
Google AdWords™
gift card
worth \$25

Howie Jacobson, PhD
AdWords seminar presenter and coach



AdWords® For Dummies®

**by Howie Jacobson,
PhD**



Wiley Publishing, Inc.

AdWords® For Dummies®

Published by

Wiley Publishing, Inc.

111 River St.

Hoboken, NJ 07030-5774

www.wiley.com

Copyright © 2007 by Wiley Publishing, Inc.,

Indianapolis, Indiana

Published by Wiley Publishing, Inc., Indianapolis, Indiana

Published simultaneously in Canada

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 646-8600. Requests to the Publisher for permission should be addressed to the Legal Department, Wiley Publishing, Inc., 10475 Crosspoint Blvd., Indianapolis, IN 46256, (317) 572-3447, fax (317)

572-4355, or online at
<http://www.wiley.com/go/permissions>.

Trademarks: Wiley, the Wiley Publishing logo, For Dummies, the Dummies Man logo, A Reference for the Rest of Us!, The Dummies Way, Dummies Daily, The Fun and Easy Way, Dummies.com, and related trade dress are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries, and may not be used without written permission. AdWords is a registered trademark of Google, Inc. All other trademarks are the property of their respective owners. Wiley Publishing, Inc., is not associated with any product or vendor mentioned in this book.

LIMIT OF LIABILITY/DISCLAIMER OF WARRANTY: The publisher and the author make no representations or warranties with respect to the accuracy or completeness of the contents of this work and specifically disclaim all warranties, including without limitation warranties of fitness for a particular purpose. No warranty may be created or extended by sales or promotional materials. The advice and strategies contained herein may not be suitable for every situation. This work is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If professional assistance is required, the services of a competent professional person should be sought. Neither the publisher nor the author shall be liable for damages arising herefrom. The

fact that an organization or Website is referred to in this work as a citation and/or a potential source of further information does not mean that the author or the publisher endorses the information the organization or Website may provide or recommendations it may make. Further, readers should be aware that Internet Websites listed in this work may have changed or disappeared between when this work was written and when it is read. FULFILLMENT OF EACH COUPON OFFER IS THE SOLE RESPONSIBILITY OF THE OFFEROR.

For general information on our other products and services, please contact our Customer Care Department within the U.S. at 877-762-2974, outside the U.S. at 317-572-3993, or fax 317-572-4002.

For technical support, please visit
www.wiley.com/techsupport.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

Library of Congress Control Number is available from the publisher.

ISBN: 978-0-470-15252-2

Manufactured in the United States of America

10 9 8 7 6 5 4 3



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.

Author's Acknowledgments

If I were to properly acknowledge on one page all the help I received while writing this book, I'd be using Times New Roman 0.01-point font and you'd be reading this with an electron microscope.

My wonderful editors at Wiley Publishing: Melody Layne, Steve Hayes, Jean Rogers, and Barry Childs-Helton. They have been patient with my whining, accepting of nothing but my best, and always ready with advice and reassurance.

My technical advisors at Google, Jason Rose, Fred Vallaey, and Emily Harris, answered my frequent volleys of questions with celerity and grace. We haven't met, but I like to think of them riding their Segways from the office to the gourmet lunch rooms at the Googleplex.

Big hugs to the many AdWords experts who shared their wisdom, stories, and sometimes even keywords. Perry Marshall is such a fine AdWords teacher, business associate, and friend that I wonder what good deeds I performed in my previous life to deserve him. David Bullock and Glenn Livingston shared their best stuff with me freely and often — I apologize to their clients and spouses for all the time I monopolized while asking them questions. David even agreed, in a moment of weakness, to become the technical editor for the book. Luckily, I

asked and he agreed just before he was featured in Black Enterprise Magazine and became the most sought-after Taguchi expert in the country.

Timothy Seward, my neighbor in North Carolina, has taught me more about Analytics than I thought there was to know. If I'd been paying for his time, he'd be retired by now. The fabulous Joy Milkowski shared her methodologies with me and helped me rewrite the chapter about creating compelling ads. The friendship we developed during this project has been an added bonus. Don Crowther, one of the cleverest and under-the-radar marketers on this or any other planet, shared more cool ideas with me than I could ever have hoped.

Bryan Todd and I have argued and philosophized about metrics more than either of us cares to admit. Kelly Muldoon shared her experience with geographic targeting, and always has the right amount of sympathy and chocolate for any situation. Michael Katz, the world's expert on e-newsletters, was so helpful during this project that I almost forgive him for being funnier than me. Joe Chapuis generously shared his knowledge about the cutting edge of online video, while Ari Galper enlightened me about the marketing potential of live chat and allowed me to reveal his strategies and show his screen shots. Thanks also to my many clients who shared case studies with me — sorry about all the ones I couldn't use.

Rob Goyette, Steve Goyette, and Erik Wickstrom were never more than a cellphone call away whenever I had a question about PHP, HTML, or the MLB MVP. Working with these talented programmers and marketers is like having three genie-filled lamps.

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.

Publisher's Acknowledgments

We're proud of this book; please send us your comments through our online registration form located at www.dummies.com/register/.

Some of the people who helped bring this book to market include the following:

Acquisitions, Editorial, and Media Development

Project Editor: Jean Rogers

Senior Acquisitions Editors: Melody Layne, Steven Hayes

Senior Copy Editor: Barry Childs-Helton

Technical Editor: David Bullock

Editorial Manager: Kevin Kirschner

Media Project Supervisor: Laura Moss-Hollister OR Laura Atkinson

Media Development Specialist: Angela Denny, Josh Frank, Kate Jenkins, OR Kit Malone

Media Development Associate Producer: Richard Graves

Editorial Assistant: Amanda Foxworth

Sr. Editorial Assistant: Cherie Case

Cartoons: Rich Tennant (www.the5thwave.com)

Composition Services

Project Coordinators: Adrienne Martinez, Jennifer Theriot

Layout and Graphics: Carl Byers, Stephanie D. Jumper, Christine Williams

Proofreader: ConText Editorial Services, Inc.

Indexer: Potomac Indexing, LLC

Anniversary Logo Design: Richard Pacifico

Publishing and Editorial for Technology Dummies

Richard Swadley, Vice President and Executive Group Publisher

Andy Cummings, Vice President and Publisher

Mary Bednarek, Executive Acquisitions Director

Mary C. Corder, Editorial Director

Publishing for Consumer Dummies

Diane Graves Steele, Vice President and Publisher

Joyce Pepple, Acquisitions Director

Composition Services

Gerry Fahey, Vice President of Production Services

Debbie Stailey, Director of Composition Services

Contents

Title

Introduction

[About This Book](#)

[Conventions Used in This Book](#)

[What You Don't Have to Read](#)

[Foolish Assumptions](#)

[How This Book Is Organized](#)

[Icons Used in This Book](#)

[Where to Go from Here](#)

Part I : Becoming a Google Advertiser

Chapter 1: Profiting from the Pay-Per-Click Revolution

[Introducing AdWords](#)

[Where and When the Ads Show](#)

[AdWords in the Total Google Context](#)

[Pay Per Click: Your Online Gumball Machine](#)

[The Direct-Marketing Difference: Getting Your Prospects to Do Something](#)

[How to Think Like Your Prospect](#)

Chapter 2: Setting Up Your Starter Edition Account

[Who Should Start with the Starter Edition](#)

[Signing Up Couldn't Be Easier](#)

[Touring Your Starter Edition Control Panel](#)

[Activating Your Account](#)

[Managing Your Account](#)

[Upgrading to the Standard Edition](#)

[Chapter 3: Setting Up Your Standard Edition Account](#)

[Setting Up Your Standard Edition Account](#)

[Running Mission Control with the Campaign Management Tab](#)

[Part II : Launching Your AdWords Campaign](#)

[Chapter 4: Discovering Your Online Market](#)

[Assessing Market Profitability \(Don't Dive into an Empty Pool\)](#)

[Taking the Temperature of Your Market — Advanced Methods](#)

[Eavesdropping at the Watering Hole](#)

[Cutting Through the Clutter with Positioning](#)

[Chapter 5: Choosing the Right Keywords](#)

[Decoding Keywords to Read Your Prospects' Minds](#)

[Mastering the Three Positive Keyword Formats](#)

[Researching Keywords: Strategies and Tools](#)

[Finding Sneaky Variations for Fun and Profit](#)

[Sorting Keywords into Ad Groups](#)

[Deploying Negative Keywords](#)

[Adding, Deleting, and Editing Keywords](#)

[Chapter 6: Writing Magnetic Ads](#)

[Understanding the Three Goals of Your Ad](#)

[Tuning Your Ad to the Keyword](#)

[Marching to a Different Drummer](#)

[Motivating Action in Four Lines](#)

[Sending Out a Call to Action](#)

[Mastering the Medium and Voice at Haiku U.](#)

[Naming Your Online Store Effectively](#)

[Wielding “Black Belt” Techniques for Hyper-Competitive Markets](#)

[Following Google’s Text-Ad Guidelines](#)

[Exploring the Other Ad Formats](#)

[Part III : Managing Your AdWords Campaigns](#)

[Chapter 7: Deciding Where and When to Show Your Ads](#)

[Getting the Most Out of Your Campaigns](#)

[Bidding Smart](#)

[Chapter 8: Improving Your Campaigns through Keyword Management](#)

[Nurturing, Relocating, and Firing Keywords](#)

[Resuscitating Poor-Quality Keywords](#)

[Managing the 80/20 Way](#)

[Chapter 9: Getting It Done with AdWords Tools](#)

[Improving Your Campaigns with the Optimizer Tools](#)

[Saving Time with the Campaign Modification Tools](#)

[Getting Feedback from Google with the Ad Performance Tools](#)

Part IV : Converting Clicks to Clink

Chapter 10: Giving Your Customer a Soft Landing on Your Web Site

Making Your Visitor Shout “That’s for Me!”

Defining the Most Desirable Action for the Landing Page

Selling the Most Desirable Action

Chapter 11: Following Up with Your Prospects

Overcoming Your Prospects’ Minuscule Online Attention Span

Spinning a Web with an Opt-In

How to “Bribe” Your Prospects to Opt In

Staying on Your Prospects’ Minds with E-mail

Going Offline to Build the Relationship

Chapter 12: Building a “Climb the Ladder” Web Site

Identifying the Rungs of Your Business Ladder

Using Web Tools to Help Your Visitors up the Ladder

Part V : Testing Your Strategies and Tracking Your Results

Chapter 13: How You Can’t Help Becoming an Advertising Genius

Capturing the Magic of Split Testing

Conducting Split Testing with AdWords

Strategies for Effective Split Testing

[Generating Ideas for Ad Testing](#)

[Tools for Split Testing](#)

[Split Testing Web Pages](#)

Chapter 14: Slashing Your Costs with Conversion Tracking

[Setting Up Conversion Tracking](#)

[Introducing Three New Columns](#)

[Tracking ROI of Ads and Keywords](#)

[Creating Easy-to-Understand Reports](#)

[Customizing Your Reports to Show the Most Important Numbers](#)

[Discovering What to Do with the Data](#)

Chapter 15: Making More Sales with Google Analytics

[Installing Analytics on Your Web site](#)

[Making Sense of the Data](#)

[Acting on Your Data to Make More Money](#)

Part VI : The Part of Tens

Chapter 16: The Ten Most Serious AdWords Beginner's Mistakes

[Neglecting to Split Test Your Ads](#)

[Letting Google Retire Your Ads without Testing](#)

[Split Testing for Improved CTR Only](#)

[Ignoring the Display URL Line in Your Ad](#)

[Creating Ad Groups with Unrelated Keywords](#)

[Muddying Search and Content Results](#)

[Ignoring the 80/20 Principle](#)

[Declaring Split-Test Winners Too Slowly](#)

[Declaring Split-Test Winners Too Quickly](#)

[Forgetting Keywords in Quotes \(Phrase Matching\) or Brackets \(Exact Matching\)](#)

[Ignoring Negative Keywords](#)

[Keeping the Keyword Quality Score Hidden](#)

[Spending Too Much or Too Little in the Beginning](#)

[Chapter 17: Ten AdWords Case Studies](#)

[Adding a Welcome Video to the Landing Page](#)

[As Seen on TV Ads and Web Copy](#)

[Plugging in the Blender with Risk Reversal](#)

[Getting the Basics Right](#)

[Letting Visitors Choose Their Own Sales Funnels](#)

[15-Cent Click to \\$1700 Customer in Minutes](#)

[Local Search with Video Web Site](#)

[Generating B2B Leads Without Cold Calling](#)

[Understanding and Answering Customer Objections](#)

[Making Money in an Impossible Market](#)

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.