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# Google AdWords 101

What is PPC and How Does it Work?



# What is PPC?

PPC stands for “pay-per-click,” and is also known as cost per click. It is the advertising model used by the Google AdWords platform that charges the advertiser each time the ad is clicked. The advertiser is not charged if a user sees the ad but does not click on it.

Rather than buying random advertising space in bulk, PPC gives advertisers the advantage of optimizing ads to targeted audiences through an auction system. Each advertiser sets bids for certain terms and keywords. Google then conducts an auction for each query and ranks the winners in order of their standing based on bids and relevance.

The ads are then sorted by Ad Rank, which is best described as: **Quality Score x Bid**.

The quality score metric is derived by Google as it rates the ads on relevancy factors. A higher quality score means a lower bid, so it you could win the auction with a cheaper bid by targeting your ads towards relevant audiences.

PPC is data-heavy and built around optimization. Google collects data on the associated metrics which allows you to optimize your account to increase sales and decrease non-converting spend, thus giving you control over where you advertising dollars are spent.

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# Controlling Your Account

There are several elements that make up an AdWords account. Each aspect is simple to learn with the biggest learning curve being organizing and compiling the different elements.

- Campaigns
  - Ad groups
  - Keywords
  - Ads
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# Campaigns

The campaign is the highest-level group. Each campaign has its own budget, settings and organization. This makes it easy to devote specific campaigns to certain themes or geographic locations. There are no rules about how many campaigns you should have, so don't worry about creating new ones at any time.

Campaigns are used to group selected ad groups that target specific segments which allows the manager to quickly find and access relevant parts of their account.

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# Ad Groups

Ad groups are smaller units which exist inside each campaign. The ad groups contain a group of keywords that trigger the same group of ads.

The ad group structure should be more finely tuned to themes in keywords and ads. This helps your relevancy with Google and also ensures your ad copy is targeted toward the correct audience.

Just like campaigns, ad groups are not limited so there is no need to overfill ad groups with keywords. It is usually advantageous to split a large ad group into smaller, more specific ad groups. This will also make the account more manageable.

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# Keywords

Keywords are words and phrases used to target specific search queries. Keywords fit into the following categories and match type notation: **Broad** (no punctuation), **Modified Broad** (+), **Phrase** (“quotes”), and **Exact** ([brackets]).

- **Broad:** red roses
  - **Modified Broad:** +red +roses
  - **Phrase:** “red roses”
  - **Exact:** [red shoes]
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# Here's the difference:

**Broad match** – matches to any query containing those terms or synonyms in any order.

**Broad modified** – requires that terms with + are included with no synonyms.

**Phrase** – requires the query to contain those terms in that specific order, allows anything to appear before or after that phrase.

**Exact** – the most specific, will only trigger ads when that exact query is entered.

Choosing keywords requires a balance because **Broad** will bring in the most traffic, but is also the most likely to bring in irrelevant searches. **Exact**, on the other hand, will bring a lower volume of more qualified traffic.

It is possible to control incoming traffic by using **negative keywords** which have the same match types but work in reverse. They are used to keep ads from showing for any queries using those terms.

You can see the searches that triggered your ads in the search term report. You can access this report from the keyword tab in your account.

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# Ads

Ads are subject to certain limitations. Headlines can be up to 25 characters with the rest of the text limited to 70 characters.

The headline should be tailored to the ad group theme and keywords while the description lines should include selling points or a call to action.

You can have as many ads as you like within each ad group, but it is advised to run two ads in each group. This will allow you to test variations against each other and replace the poorest performing ad with a new one and a new testing cycle.

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# The Common Metrics

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These are the foundation for almost all other metrics you will need to optimize performance:

- **Clicks** – Each time a viewed ad is clicked
  - **Impressions** – How many time your ad is shown
  - **Click Through Rate** – Ratio of clicks/impressions
  - **Conversions** – Goal completions. Each time a user clicks the ad and then goes on to reach the final page. Most commonly used with an AdWords tracking code or imported through Google Analytics. This gives you an accurate tally of how often PPC ads drive direct sales or leads
  - **Revenue** – How much your AdWords earn
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# Tips For Working Your Account

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# Tips for working your account

The most important thing for beginners is learning how to use the interface and getting comfortable with making adjustments and monitoring account performance. The change history page keeps a record of all changes made within your account.

Utilize Google's AdWords Editor which will allow you to make large-scale changes and also revert changes if necessary.

Excel or Google Sheets are the easiest ways to analyze your account. You can use those programs to apply custom formulas for bid changes as well as build completely new ad groups and keywords. You can insert the spreadsheet into AdWords Editor to easily load the changes.

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# Recap

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# Recap:

- Make bid changes in bulk through AdWord Editor.
  - Monitor and understand performance through the AdWords interface.
  - Perform search query reports to discover new keywords and eliminate poor quality traffic.
  - Write creative ads and test as often as possible.
  - Be flexible when it comes to adjusting your spend.
  - Never stop learning, there are always new techniques and tips to learn.
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# PPC Statistics

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# 41%

On average, 41% of clicks go to the top 3 paid ads on the search results page. These are PPC ads.

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50%

PPC visitors are 50% more likely to purchase something than organic visitors.

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# 70%

Approximately 70% of all online searches are Google searches.

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80%

Search ads can increase brand awareness by 80%.

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