

Google Adwords Reference Guide

from **Blast Analytics & Marketing**

AdWords Advertising: Fundamentals, Optimizations & ROI

This reference guide can help you study for and take the AdWords Advertising Fundamentals test. Use it to improve your understanding of the organization and structure of an AdWords account. Keep in mind that a basic familiarity of the AdWords interface is required to do well on the exam (and, more importantly, to manage your account). All the best in your preparation!

Key Concepts

- Google wants to provide a positive experience for its users. It's important to have highly relevant, high quality ads and landing pages.
- The AdWords platform rewards ads that are more likely to get clicked by charging less money and giving the ads a higher position.
- Settings matter on the test and in real life. Know where settings are controlled and how they are used.

AdWords Benefits

- Reach audiences who are specifically interested in your offers
- High flexibility: make adjustments at any time; no spend commitments
- Measure & analyze performance

AdWords Policies

- Policies ensure regional laws are followed, increase advertiser success & create a good experience for viewers
- All ads go through an approval process to ensure the ads are safe and appropriate for users
- Ads that violate policies are marked as Disapproved or Suspended and are not eligible to run



Blast Analytics & Marketing

Toll Free: (888) 252-7866 | Email: Sales@BlastAM.com
www.blastam.com | www.blastam.com/blog



Questions?
Email or call me at (916) 724-6706 if you need help.



Google Adwords Reference Guide

from Blast Analytics & Marketing

Ad Costs & Bidding Strategies

AdWords uses an auction model to determine your costs, and whether your ad is shown at all. CPC is the most common bid model.

- **Cost per click (CPC):** focus on driving traffic to your website
- **Cost per view (CPV):** used for video / YouTube
- **Cost per acquisition (CPA):** focus on conversion performance
- **Cost per thousand impressions (CPM):** focus on brand awareness

Actual CPC is the final amount you're charged for a click, based on what's minimally required to hold your ad position (typically \$.01 above the next competitor).

Flexible Bid Strategies

Create bid strategies in your Shared Library to apply across multiple campaigns, ad groups, or keywords.

- **Maximize clicks:** get the most clicks for your budget (automatic bidding)
- **Search page location:** target top of page or first page
- **Outranking share:** target specific competitors in the auction
- **CPA:** target specific cost per conversion (Conversion Optimizer)
- **Enhanced CPC (ECPC):** adjust bids based on whether clicks are likely to result in conversions
- **Return on Ad Spend (ROAS):** maximize conversion value

Ad Position & Performance

Quality Score: A 1-10 rating of relevancy assigned at the keyword level based on

- Expected CTR
- Ad relevance
- Landing Page experience

QS is calculated each time your keyword matches a query, and can be increased by improving relevancy or modifying or removing low-performing keywords.

The higher your score, the less you have to pay for your position.

- Ad Rank: Determines ad position. Calculated based on
 - Quality Score
 - Max CPC bid

Ad Extensions (expected performance)

Conversions & Return On Investment (ROI)

Conversions are calls, signups, or purchases that happen after people click your ad. You can improve conversion rates by driving to landing pages related to ads.

Conversion tracking = track ad clicks to post-click conversion performance such as sales or leads

Conversion rate = how often clicks lead to conversions (conversions / clicks)

Converted click = a click that led to one or multiple conversions

ROI = measures ratio of revenue or profits to cost

