

The
 AdWords
Test Report

Introduction

Every Internet marketing project has one thing in common. Each one requires traffic to be successful. It can be organic or paid, but if no one visits a web site you can be sure that no money will be made!

Wouldn't it be great to have a place to go where we could see exactly where we may be able to get that traffic, and perhaps even how "good" that traffic may be? Of course, you're thinking that you have a keyword research tool or two to use. That will work. Right? Well, not exactly.

The best source of keyword data, the information that will tell you whether this project is a good one or not, is Google itself. Most (if not all) of the keyword tools that people use interface with Google's Adwords keyword tool to gather this data.

The problem is, though, that this data is VERY unreliable. It is, essentially, completely inaccurate. The worse news is that there really is no alternative source of better data. That's as good as we can get.

BUT, we can do a market test on the cheap that will give us 100% accurate data, AND even give us more quantitate information about the keywords than Google's data could ever deliver.

This is the purpose of this document. To outline the process of our "Adwords test" that we have been using for years.

At the end of this quick and inexpensive process, you'll have all the data you need to make good decisions about what projects to pursue.

The keywords used in this example are not being recommended for your use. They are simply being used as an example. You would use the keywords that you have decided will best represent the products you wish to sell.

We'll use an eCommerce site as an example for this document, but, this test may be used for ANY Internet marketing project at all!

In this Adwords test:

- You will check your keywords for specific qualities
- You will look for seasonal or high and low periods of sales
- You will make certain you have chosen the right keywords
- You will find the right type of site for your ad campaign
- You will create a campaign with the right designations
- (if you don't have a Google Adwords account you will set one up)
- You will create your ad group and write an appropriate ad
- You will set your bid amounts and run your campaign
- You will check the results to determine if this is a good choice

Report Chapters

1. Choose Your Keywords
2. Research Google Trends
3. Double Check Your Keywords
4. Choose a Site for Your Ad
5. Set Up Your Campaign
6. Creating the Ad Group and Write the Ad
7. Run the Test
8. Interpret the Results

1. Choose Your Keywords

There is a minimum of detail in this section about the actual choice of keywords. Keyword selection could be a full document by itself. What is included here is what will be needed to create your Adwords test. We want to look at keywords that will give us the information we need so we can interpret the results of our test and make an accurate determination.

Keywords should meet the requirements for your site or e-commerce store:

- Have sufficient searches
- Be specific to products, not broad, general terms.
- Not have more than one meaning. Use caution here. For instance, the word spring could be a *water spring*, a *spring for a mechanical purpose* or could be used as in, *spring to action*.
- Be a product, not a person's name, the name of a band, etc., not a place: Adirondack, this is a location in upstate New York, not a product.
- Check the ads that are running to see how the keywords are being used to be sure it meets your needs.

Keyword examples:

Example: *chair* - This is a general, broad term so not specific enough for the purpose of this test.

Example: *adirondack chair* - This is a specific product term.

Example: *natural wood adirondack chair* - This would be even more specific.

For the purpose of this test only the following keywords have been selected:

- *adirondack chair* (singular).
- *adirondack chairs* (plural)
- *plastic adirondack chairs*
- *adirondack furniture*

These keywords were chosen because they have enough search volume, (ranging from 118 to 890 daily searches) to qualify for an e-commerce store and will work for the purpose of a test.

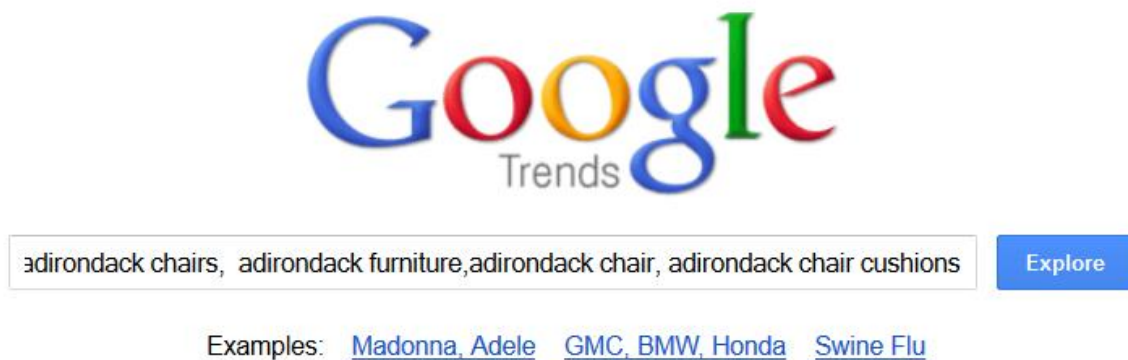
There is one more search term; "*adirondack chair cushions*" which does not have great search numbers, but it might be something that could be added into this type of store so it will also be used.

2. Research Google Trends

This next step, although not a requirement, is something that can be helpful to gain more information about the keywords. It can help when interpreting the results of your test. It can show when the busiest or heaviest times are and when the lightest or slow times occur. You will know when you do your test whether you are in a slow or busy time. From this, the results can be extrapolated. We will be using a free tool from Google. You may want to bookmark this as it can be very helpful.

Go to: <http://www.google.com/trends/>

Enter your keywords in the search box with a comma between each one: adirondack chairs, adirondack chair, etc. then click on the explore button.



On the next page you will see a pattern of trends over a period of years, as in the example below. Note the terms were already put into the search box on the previous page.

Trends

Web Search Interest: **adirondack chairs, plastic adirondack chairs, adirondack furniture, adirondack chair, adirondack chair cushions**. Worldwide, 2004 - present.



Explore trends

Hot searches

Interest over time

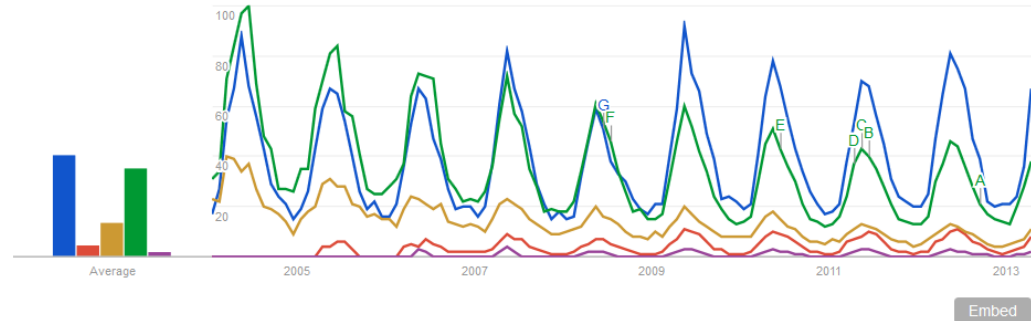
The number 100 represents the peak search interest

☒ News headlines ☐ Forecast

Search terms

- ✕ adirondack chair
- ✕ plastic adirondack
- ✕ adirondack furnit
- ✕ adirondack chair
- ✕ adirondack chair

Other comparisons



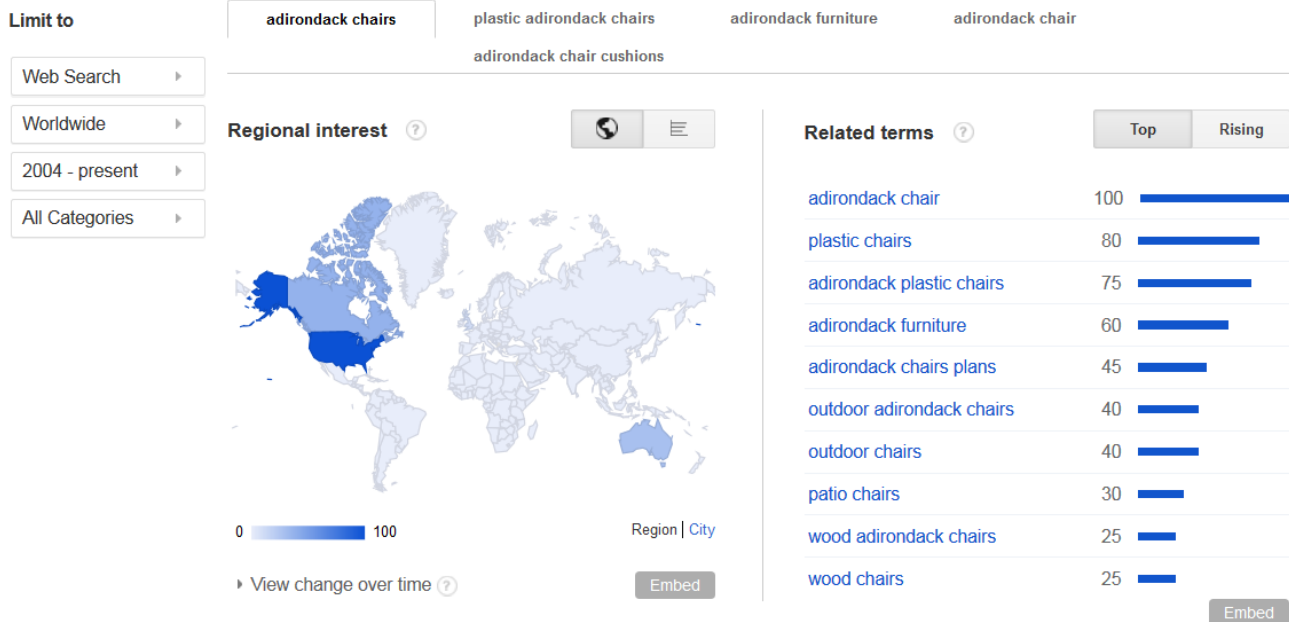
As you can see, there is a spike in the middle of each year indicating a seasonal trend.

If you find that the product you have chosen is seasonal then you will need to decide if it will have enough sales to be sufficient for your store. By determining the trend during time of year in which you will be running your test, you will be able to tell from your results whether it will work for you.

In this example you can see that the lines are becoming more broad in recent years, (instead of straight up and down). This indicates that these are becoming more of an evergreen (selling year round) market product and not being limited to just summer sales.

Google indicates that there are not enough searches for *andirondack chair cushions* to even show a trend. The highest peaks indicate that the keywords *adironclack chairs* and *adironclack chair* are getting the most search volume consistently so those are the keywords that will be used in our test.

Now Scroll down the Google Trends page and you will see a mapping of regional locations where searches originate for the keywords.



At the bottom of the map you can see the words “Region | City”. You can click on **City** to get more specific search locations.

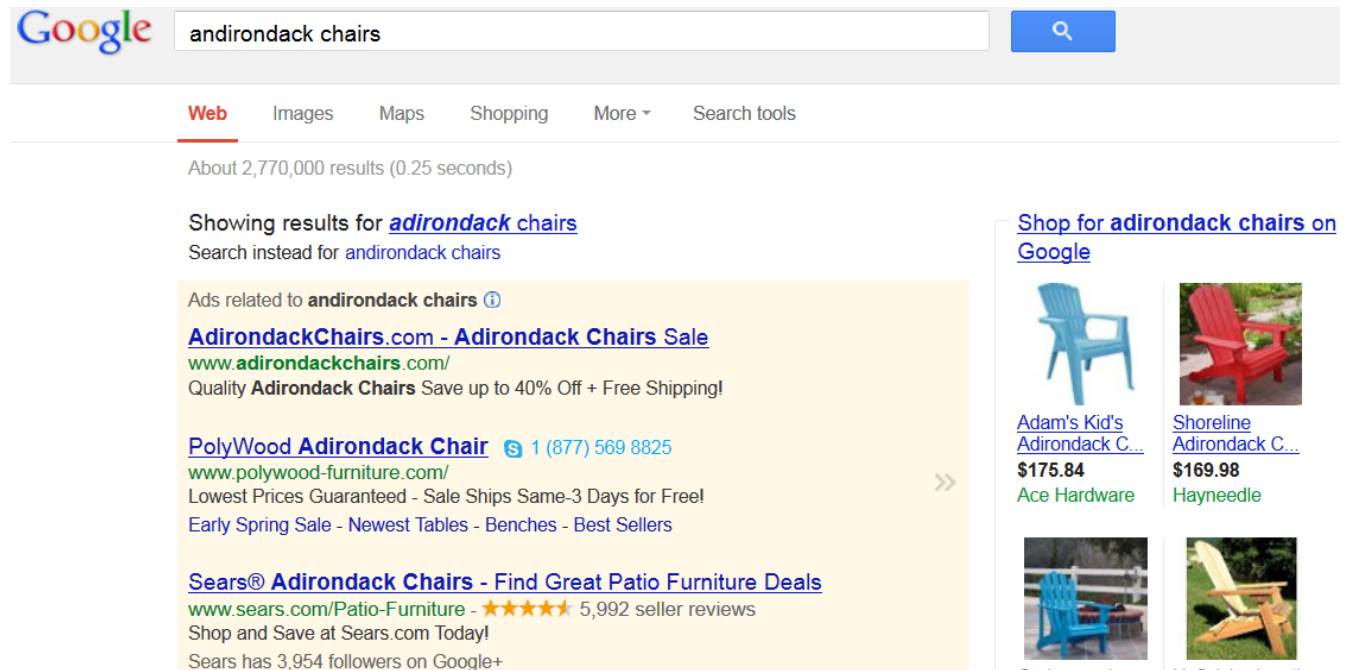
In case you aren't familiar with Adirondack chairs, they are named that for the area where they were first made in the Adirondack Mountains of upstate New York. Below is an example:



They come in many styles such as chair, lounge, and rocker and in many different materials. They are very comfortable and popular. These are what we will be using in our test as if they would be the product in an e-commerce store we were building.

3. Double Check Your Keywords

Go to your normal browser Google Search and enter the keyword in the search box as below.



When double checking your keywords:

- Make sure there are ads running on the first page for the keywords you will be using. If not, they may not be a good choice and you may want to reconsider using them.
- Make sure you are seeing the type of sites you expect to find for the keywords you are using.
- As explained in Chapter 1 on choosing keywords, check to be certain your keywords do not have any double meanings. Refer back to Chapter 1 if you have any confusion about this.

4. Choose a Site For The Ad

The main purpose of choosing a site is to have a place where we can drive and measure traffic. Remember, we're going to be sending traffic *to other people's sites*, so we'll need to pick a site that meets specific criteria.

We're looking for a site that's similar to the one you're considering building with the keywords you have chosen. (in our case, an eCommerce site). The general idea is to simply do a search on the keyword(s) and look at the organic results to find the site to send traffic to. Don't worry if you have to go several pages deep to find the right one.

The two biggest things to worry about are:

***A site can't be running its own Adwords campaign - if they are already using Adwords, they're not suitable for the test as Adwords won't allow you to send traffic to them at the same time.

***A site can't have any adsense running on it - it is a violation of Google's terms to drive traffic with ads to a site with adsense ads running an ad on it! This could cause you to have your Adwords account banned.

Some other tips:

- When checking to see if any sites you choose, already have an ad running: These ads are in both the shaded area at the top of the search results and run down the side.
- Skip Amazon, and other large or national shopping sites. Look for a site that would be similar to the type of site you will have. For our example, we are looking for an individual owner e-commerce store.
- When you think you have found an appropriate site, check through the entire site to make sure there are no Google Adsense ads running on it.
- You will want to look through the site you choose to determine whether it is the right type of site to match what you are planning. Sometimes general store sites feature a product rather than being a site that is about the product. You want a site that is similar to what you plan to build.

Example: an outdoors furniture site may be on the first page for Adirondack chairs, but only have one kind of Adirondack chair. A site that features only Adirondack chairs may be a better match for you unless you are planning a more general type of site or store.

For our example, we will look at <http://www.thebestadirondackchair.com> which is on page one, though it may not be at the time you work through this guide.

5. Set Up Your Campaign

If you do not already have a Google Adwords account it is free and easy to set one up and will only take a few minutes. Go to: <http://www.google.com/ads/adwords2>

Once you have your account set up, log in and go to the green campaigns tab at the top. If this is your first time to create an ad you will need to click on **Create your first campaign**.

If you have already run campaigns before, click on **New Campaigns**.

This is where you will set up your campaign.

You will start by selecting your type of campaign.

Do not leave the preselected type that is already on the page. Below “Campaign Name”, there is a Type. You want to click on the tab next to Type and when the list drops down choose:

Search Network Only

Next to Type is a choice of features, you will put this on:

all features

The screenshot displays the Google AdWords interface for creating a new campaign. At the top, there's a navigation bar with tabs: Campaigns, Opportunities, Tools and Analysis, Billing, and My account. Below this, a search bar and two buttons, 'Select campaign settings' and 'Create ad group', are visible. The left sidebar shows a list of campaigns, with 'Campaign #1' highlighted. The main content area is titled 'Type: Search Network only - All features'. It includes a message: 'You're ready to create your first campaign! Try focusing on one product or service to start. You can edit these settings or expand your account whenever you like. To get help as you go along, hover over the question mark icons on this page.' Under the 'General' section, the 'Campaign name' field is set to 'Campaign #1'. The 'Type' dropdown is set to 'Search Network only'. To the right, there are four radio button options: 'Standard' (selected), 'All features' (selected), 'Product listing ads', and 'Dynamic Search Ads'. Below these, there's a link to 'Learn more about campaign types'. Under the 'Networks' section, there's a message: 'To choose different networks, edit the campaign type above, or create a new campaign.' Below this, the 'Google Search Network' is selected with a green checkmark, and the checkbox 'Include search partners' is checked.

If you have done this correctly your page should look like the one above.

Now you will need to name your campaign. Next to Campaign Name there is a box where you

can enter your campaign name.

For the purpose of this example our Campaign name will be **Chairs** which I would enter in the box. Now scroll down to locations and choose United States and Canada.

Next, you will see Bidding and Options

You will want to change the set option to: *I'll manually set my bids for clicks*

Now you will enter an amount in the box for your Default bid \$ [1.50] This can be changed later, but for the example that is what will be used.

The Budget for the day should be \$20. This way you can be confident that you will be covered. Keep in mind you are only charged for the clicks that your ad actually gets.

If you put in [\$20.00] you can be sure you have enough and the amount will not go over that by at most a few cents as twenty dollars will be the cap.

Under where you entered the budget amount you will see Delivery Method in blue lettering on the left side. Click on this and choose: *Accelerated show ads more quickly until budget is reached.*

You don't have to be concerned with ad extensions or advanced settings.

Click on **save and continue** and in the next section you will create your ad group.

6. Creating the Ad Group and Writing the Ad

Just write a decent ad. Don't spend too much time here. We're not going out of our way to write the best ad ever written. We simply want a decent attempt that will be quick to write that will give us average results. Follow through with the example and you will find it fairly simple.

Using Google search, enter your product keyword. Now you can look at their product description. Make note of the description and anything that would be a benefit to the customer. Next you would go to the site you will be using. Look at their home page and see if you can pull out two benefits to use in your ad.

In this example we go back to the Google search and put in Adirondack chairs. (You would put in your keyword search term and find the site to which you will be sending traffic.) We will go to the site we originally selected and pull the ad from their information since this is where we will be sending traffic.

The main thing you need to remember in writing an ad is to *focus on the benefits to the customer* who is looking at the ad.

This site says they offer free shipping in their description. Free shipping is a good benefit. Next we go to the site to see what could be used in an ad. They offer a ten year guarantee and have a 30% off special. These are benefits to the customer.

The secret to making it easy is to go to the site and use their information for your ad content.

Now go back to the Google Adwords account to create your ad.

In **Ad Group Name**, enter a name. If you do more later you will be able to identify it easily. I put in Chairs #1 just in case I want to run multiple ads later. Be sure "Test Ad" is checked for type of ad you are going to create.

Your headline needs to have your keyword in it so I am entering: Buy Adirondack Chairs (You only have 25 characters to create a headline with, so in most cases you want to keep it short and to the point.)

It is also important to have your keyword in your description as well as your headline. Your keyword will be bolded and that will help to draw the eye to your ad.

In the Description Line 1 space, I put: *Adirondack Chairs 30% Special*

In the Description line 2, I put: *Free Shipping*

Now you can enter the URL of the site. You will enter the same URL in both places. You can just go back to the site and copy the URL then enter it. You may need to remove http or any extras to fit it in if it is too long. If it is too long you will see a red area next to it.

If you look on the right you will see examples of your text ad.

Type: Search Network only - All features

Name this ad group

An ad group contains one or more ads and a set of related keywords. For best results, try to focus all the ads and keywords in this ad group on one product or service. [Learn more about how to structure your account.](#)

Ad group name:

Chairs #1

Create an ad

☒ Text ad ☐ App / digital content ad ☐ WAP mobile ad ☐ Product listing ad ☐ Dynamic search ad

To get started, just write your first ad below. Remember, you can always create more ads later. [Help me write a great text ad.](#)

Headline
 Description line 1
 Description line 2
 Display URL
 Destination URL

Ad preview: The following ad previews may be formatted slightly differently from what is shown to users. [Learn more](#)

Side ad

[Buy Adirondack Chairs](#)
www.thebestadirondackchair.com
 Adirondack Chairs 30% Special
 Free Shipping

Top ad

[Buy Adirondack Chairs](#)
www.thebestadirondackchair.com
 Adirondack Chairs 30% Special Free Shipping

Enter Your Keywords:

In order to have an exact match enter your keywords in brackets []. For this example we are entering the keywords [Adirondack Chairs] and the singular, [Adirondack chair] in the box.

Notice on the right side Google is providing some suggestions for keywords in categories. If you wanted to look for more possibilities, you could go down to your category and click on it and you will see related keywords you might find helpful in the future.

Under tools and analysis you will find a keyword estimator to check your keywords. Enter your keywords in the box. Click on cost. Enter your CPC \$ 1.50 and your daily budget \$20. Click on: get estimate. This will give you a graph and a full CPC average. You can see what your average cost per click will be. This can help determine how you might need to change your default bid.

7. Run The Test

For the purpose of this test we do not need to be concerned about the quality score. The green buttons on the left side indicate that your campaign is active. This does not mean your keywords have been approved. For the whole campaign you do not want to have any keywords that are in review or pending review. You should receive an email telling you that your ads have been approved.

If this is a new account it may take 24-72 hours for your ads to be reviewed. If you check your account and find there are 0 impressions, email Google support and ask them to check on your review. If another 24-72 hours passes with no impressions email them again.

To determine whether your ads have started running; you can also put your cursor over the keywords and a box will pop up and indicate the status.

Once you are confident that your keywords have been approved, set your campaign to start on a weekday at 9 am Eastern Standard time. (this will avoid all the extra activity on the weekend and give a truer result)

Once your campaign is running, you'll want to check that your ad is on the first page.

Go back to the Google search box and put in your keyword and see if your ad is on page one. If it is not, you will want to change your CPC to a higher amount. It doesn't matter what position it is in as long as it is on page one.

When you enter your new amount for a minimum CPC, you will get a warning if it is too low to be on the first page. It will tell you the minimum bid you must place to be on the first page. Enter the new minimum amount and check again to make sure your ad is on the first page.

Check every 2 hours or so to see if your budget has run out. If it has, pause the campaign and make note of how long it ran (as best you can tell given that you're only checking every 2 hours). If not, check again in 2 hours.

At 9 PM (total of 12 hours), if your budget hasn't run out, pause the campaign and make a note that it ran 12 hours. Every time you run an Adwords test, it will either run out of daily budget or it will run for 12 hrs. Wait 24 hours for Google's stats to "catch up" before moving on to "Interpreting Results"

8. Interpreting The Ads

Although we're doing some extrapolation here, and only using a small slice of time to represent a whole month of volume, this process has proven VERY accurate over the years. Adwords traffic is generally very consistent and predictable once you get a peek at the "real" data. That's what makes this quick and cheap test so powerful.

We are primarily concerned with three measurements; impressions, cost per click, and click through rate.

Impressions:

The number of impressions during your test represents the number of times your ad was shown and, by extension, it's the number of searches that were done for this keyword during the time period your campaign was running. We can simply take this number and extrapolate out to a daily, weekly, monthly number to get an excellent and accurate view of traffic.

The easiest way to do this, is to come up with a daily number first. Use this formula - # of impressions X (24 / # of hours the test ran for)

For example, let's say this keyword phrase received 57 impressions and the test had run for 6 hours before running out of daily budget. The daily searches would be $57 \times (24/6)$ or 228. From there getting weekly or monthly numbers is easy. Simply take your daily number and multiply by 7 (for weekly) or multiply by 30 (monthly).

It's easiest to keep the raw data (results of the test) and these extrapolations in a spreadsheet somewhere.

Now we have a VERY accurate measure of the exact search volume for each keyword.

CPC's:

Understanding cost per click is a bit more challenging. There are two things we're concerned about here. The actual cost we could get the traffic for, so we could decide if a project that relies on paid traffic is viable, and what that cost means with regard to the value of that keyword.

The actual cost we can get the traffic for is a simple calculation. The rule of thumb that we always use is this. We estimate that, with an optimized Adwords campaign, we can normally achieve the initial traffic numbers at 30-50% of the first reported CPC. For example, if our keyword that received 57 impressions had an average CPC of \$.80, it's reasonable to assume that we could get that traffic for 30-50% of \$.80 or \$.24 - \$.40. I would just go right in the middle with 40% and say that I could get that traffic for \$.32 per click.

The "value" of a keyword takes into account 2 things. The commercial intent of the searcher and the "price" that searcher is willing to pay for something from that keyword. For example, if the keyword was disposable sunglasses, the commercial intent may be very high, but the

price the searcher was going to pay is low. If the keyword were solid gold toilet seat, the commercial intent may be lower, but the price the person is willing to pay is higher. We need to look at the CPC in this context and make some determinations regarding its meaning.

We'll use the price as a guide. A good rule of thumb is to take the price of the thing, or service or affiliate commission etc. that you'd expect your searcher to "buy" or convert to and divide that by 100. So, let's say that we have a physical product that the searcher would pay \$100 for. If we divide by 100, we get 1.00. Don't stress too much about this. It's FAR from an exact science, and it's not critical that you are 100% accurate. This is simply an estimation.

We'll use the price the searcher would pay / 100 as our midpoint.

0 - 49% of our midpoint - Low value
50-99% of our midpoint - Good value
100% and greater of our midpoint - Excellent value

For our example, our product price was \$100 and our midpoint was \$1.00. If the cpc was from .01 to .49 we'd have a low value keyword. If the cpc was .50 - .99 we'd have a good value keyword. Finally, if our cpc was \$1.00 or greater, we'd have an excellent value keyword.

What this all tells us is how much the "market" values a keyword phrase. In general, the market only values a keyword phrase highly if it's profitable, and it's only profitable if there's high commercial intent.

CTR's:

With this measurement (which is simply a percentage of the people that clicked on your ad, of those that saw it) we have a really excellent gauge of commercial intent. We've found the following classifications to be very accurate.

0% - 1% - Low commercial intent
1% - 2% - Average commercial intent
2 - 4% - Very good commercial intent
4% > - EXCELLENT commercial intent

A few caveats. Yes, I've repeated 1% and 2% twice in the matrix above. It's a tough call when right on the cusp and you'll need to make an educated guess about where the keyword falls. If the other ones are good, you would push it up to the higher category. Also, we need to be concerned with the law of small numbers. When you have a small population size, the numbers for a measurement like CTR can be skewed (doesn't affect the other measurements). For example, if we flip a coin once and it came up heads, we could assume 100% of the time that it will be heads. If we flipped that coin 50 times, it's pretty likely we'd record heads 50% of the time.

If the keyword has not received at least 50 impressions, you're better off ignoring CTR. It's likely skewed. On the plus side though, if you haven't even gotten 50 impressions in your test, it's likely the keyword isn't very valuable from a search volume perspective.

The other reason to use CTR is to determine how much search volume you could get from an Adwords campaign. Our rule of thumb here is simple. We take the ctr we got during the test, and double it. Our assumption here, is that we should always be able to at least double the CTR using good ads and split testing etc.

Putting it all together:

With examining the data in this way, we have the following information:

- The search volume for each keyword
- The expected cost per click for each keyword
- The value of that keyword to the market
- The commercial intent of each keyword

In addition, we have an EXCELLENT level of confidence that the data is very accurate. We can then take this data and use it to determine if any project we may consider is a good bet to put our time and effort into! A quick example:

We have 3 keywords, that together (using search volumes and click through rates) we know we could get 100 visitors per day to our eCommerce site. We know they have high commercial intent, so we could assume a 1% conversion rate. We know that it would cost .40 cpc to get the traffic. We know we'd spend \$40 per day, and make one sale per day. Furthermore, we know we make \$75 profit on average per store. That means, we could make \$35 per day from an Adwords campaign.

It's that straightforward once you have the data and know how to interpret the Adwords test!