

# The Dirt on Google AdWords

## *The Cost of Running an Ad Campaign*

*William Dean A. Garner*

*Principal and Senior Editor*

*Ghostwriter-Editor.biz LLC*

Google's AdWords is the company's biggest money maker, generating more than \$20B in 2008 alone, up 20% from 2007. AdWords has a steep learning curve and takes considerable time and money to get started. Without initial start-up cash for your new campaign, you'll likely get tired, bored and frustrated, and quit altogether before you even launch the campaign successfully. Be prepared to put in many hours each day for at least a month to adequately track your progress. You'll likely have to read just about every Help file Google offers, to better understand how to use AdWords effectively. In their initial Help section, there're 40 different sections, with each section linking to at least one other page that contains other linked pages with additional content like suggestions, Flash videos, and further links to other helpful sections. In short, it's a maze of so-called Help that will take more than a week to get through in just reading and navigating alone.

Any reasonably intel person, a computer connected to the Internet, and a bank account with sufficient funds can sign up and generate an ad campaign. Signing up costs \$5.00, which is automatically deducted from the bank account your specify when signing up.

Beware, though: without proper care and monitoring of your funds, they'll run out before you know it. It's not unlike gambling in Vegas: you start out with a fixed amount of cash or coin, and with time, it diminishes quickly. If you have a product of service to sell, and it's something people want, and if your product or service shows up on sites or in search results, you may get some traffic from genuinely interested customers. You'll also get a lot of people who are simply curious or bored or just plain mean, who click on your ads to drain you of funds. Quickly.

### **How do you get started using AdWords to create your online ad campaign?**

Google has come up with a great tool for both Mac and PC users: AdWords Editor.

When you sign up, download the Editor from the AdWords website, and use it to edit all aspects

of your ads, bids, keywords and placements, plus statistics about the performance of your ads across the entire Google network and its “partner” search engines like Clusty.com, which is a Google rival but allows ads from the Google network to be displayed in its Search Results and Sponsored Results.

The Editor is almost as fast at making changes to your ads as doing it on the main Google page for your ad campaign, although the Editor does allow you to edit offline when the Internet may be down, then you can upload your changes when it's back online.

The Editor has many excellent basic features, most of which can be learned within a day. However, some of those features, like bidding tactics and strategies, must be learned from trial and much error. The Editor is only a tool for making changes to your ads and supporting materials, and then implementing those changes.

To place your ads, you must specify bids for two separate networks: Search and Content.

### **What are the differences between Search and Content sections of Google?**

Search Network: when someone enters keywords in a search engine, they receive pages of results. Depending on how much you bid, your ad or multiple ads may appear in the search results. If you outbid all your competitors, your ad will appear in the top spot. Unfortunately, there's a stigma associated with how your ad appears: normal search results appear under Search Results, which is what most people trust. However, your ads appear under Search Sponsors or Search Links, depending on which search engine is being used to show the results. Many people avoid Sponsored Links or Sponsored Ads, because they don't trust them. Why? People who were polled have said they prefer “real” or “organic” results in their search pages, not ads that were paid for.

Content Network: this network is basically everything other than search results, links and sponsors in the Search Network: corporate and personal websites, documents and images; government websites, documents and images, etc.

When you place a bid to have your ad appear somewhere in the Content Network, it can be as low as a penny (\$0.01) per click. Unfortunately, Google sometimes ignores you and charges you a high fee per click. Why this occurs is uncertain.

The stigma I spoke of earlier applies to ads running on the Content Network, as well. Web surfers who visit sites for their content often do not appreciate being bombarded with ads, and those ads include Google's Content Network ads. I've heard from surfers that they often will click on ads out of spite, anger and frustration at seeing those ads ruin their surfing experience.

Google's software will sometimes place your ads on websites whose content is completely irrelevant to your keywords and the product or service you're offering. My ghostwriter ads were placed on sites that had information about ghosts, as in apparitions. They as well have placed my ads offering book ghostwriting and editing services on Playboy.com. What's more, Google also charged me for that irrelevant placement.

How do you avoid this? Google doesn't offer advice up front. Its business model really depends on earning as much money as possible, and this includes money from your doing all the wrong things when deploying an AdWords ad campaign. Initially, you may not know about "negative keywords," which are keywords that tell Google's software not to allow placement of your ads on places like, say, websites that feature information about ghosts and apparitions. Does Google tell you this up front, i.e. that your ads will likely be running on completely irrelevant sites? No, of course not. Google earns billions of dollars each year from your mistakes. Look at it this way: if it were in Google's best interest to have its customers not make mistakes initially, then Google would create a more user-friendly AdWords site that walked you through all the necessary steps, from A to Z. Does this occur? No.

### **Can your ad run on both Search and Content sections?**

Yes, although it may cost you significantly more per click to run your ad on the Content Network.

### **What's the cost of running on both?**

I found that, for my ghostwriting and editing campaign, it cost me about \$2.50 per click on the Search Network, and \$6.50 per click on the Content Network, even though I bid \$100.00 per click on the Search and \$0.01 per click on the Content. Hmmmm.

### **Can you run on only one section, say, Search?**

Yes, but Google appears to penalize you if you only run on the Search Network, as Google makes the majority of its money from ads running on the Content Network.

The Search Network is usually less expensive to run ads on, so you might think to use only that method. As I said before, Google penalizes you if you run only on its Search Network.

Google penalizes you if you run your ads only on the Search Network. The Content Network provides hundreds of thousands more impressions than does the Search Network, simply because the Content Network exposes your ads to many, many more sites, a lot of them irrelevant.

## **Where are your ads run?**

Google says it tries to run your ads on relevant sites that correspond to the keywords you specify, although it also runs the ads on irrelevant sites.

## **What aspects of your ad campaign do you actually control?**

It's easier to ask the opposite: here's what you largely do not control: Exactly where your ads will appear in the Content Network. How often your ads will appear, which may depend on prospective customers searching for your products and services.

You do control the keywords that best describe your product or service, and to some extent the placement of those ads. You also control the actual wording of your ads and whether your ads are currently active or deleted.

The rest is left to Google and its proprietary software that determine all the probabilities that govern when, where and how often your ads will be run and seen by prospective customers.

## **How does the bidding work?**

You specify what amount of money you're willing to pay per click, both for the Search Network and Content Network. You can opt out of the Content Network, however. The maximum bid for my ghostwriting and editing ads was \$100.00 per click.

## **My experiment #1: how much does it cost to get my ads to appear in the top two positions of Search?**

My business is ghostwriting and editing other people's books, so I need to connect with those who are looking for someone to write that manuscript for them, or who have a finished book manuscript that needs editing. I depend on those who can afford to spend at least \$50,000 for me to ghostwrite their book, or at least \$4,000 for me to edit their book.

Before embarking on my AdWords ad campaign, I studied how my competitors were doing their advertising. First, it's important to note that the two most "popular" companies offering ghostwriting and editing services are also the two with the least experience and who have lousy reputations, mainly because of their poor treatment of ghostwriters, editors and their own clients, the very people who provide their bread and butter. It was apparent to me that these unprofessional companies had a lot of advertising dollars, probably more than I was willing to spend on my own campaign. With Google, at least.

Each of these two companies consistently ranked in the top three positions of Sponsored Links in

Google's Search Network results, especially when customers used keywords like ghostwriter, ghostwriting services, book ghostwriter, book editor, etc. The companies were bidding higher than everyone else in our industry, and they also were paying more for each click, both on the Search Network and Content Network.

My goal was to determine how much it would cost me to be #1 on Google's Search and Content Networks. I found out all too soon: \$80-\$90 a day for the Search Network, and \$150-\$300 a day, or \$4,500-\$9,000 a month, for the Content Network. It's certainly not unheard of for other industries that often force ad budgets of more than \$10,000 a month.

How did I discover all this in less than two days? I simply increased the bids on all my keywords until I consistently had all three of my ads running in the top two spots of Sponsored Results in the Search Network. When I hit \$100 per click, that was the upper limit Google placed on me so I could go no higher.

I studied my performance statistics every few minutes and quickly found that the Content Network was generating tens of thousands more impressions than did the Search Network, but my cost per click was \$6.50. At that rate, I would've exceeded my budget in hours.

Bottom line: to have my ads appear in the top two spots of the various results pages in the Search Network, it cost me \$80-\$90 a day; I also paid \$150-\$300 each day to have my ads appear on the Content Network, and most of those ads were placed on irrelevant websites, with a lot of spurious clicks racking up significant charges.

**My experiment #2: If I bid only one penny (\$0.01) to run my ads on the Content section, will the ads cost me less than if I bid \$6.00?**

In my experiment, Google charged me more than \$6.00 per click, even though my maximum bid was \$0.01. That pretty much says it all for those results.

**My experiment #3: what happens if I bid high to have my ads running only on the Search Network, and remove my ads entirely from the Content Network?**

These results were the most surprising: even though my ads had been appearing in the top two positions in the Search Network, when I also was running them in the Content Network, Google penalized me when I stopped running my ads in their money-making Content Network. They stopped placing my ads in their Search Network. These results speak for themselves.

When I asked Google for an explanation, they did what they had done in the past: denied my allegation, then bombarded me with useless statistics.

## **Conclusion**

Google absolutely depends on its complex AdWords feature to baffle customers, if only for a while. During that difficult learning period, Google rakes in billions of dollars that reflect customers' gross ignorance of the service and thus costly mistakes made during the process of learning how to use the service.

While I feel AdWords is a worthwhile service to use, Google goes out of its way to make it difficult for, and thus costly to, its customers, some of whom are so angered and frustrated by the whole experience that they never use it again.

Beware the lengthy and difficult start-up period when beginning an ad campaign using AdWords. And remember the adage: If it looks easy, it's hard.

William Dean A. Garner is a bestselling ghostwriter and editor of fiction and nonfiction books. He also is the principal and senior editor of Ghostwriter-Editor.biz LLC. Please contact him at [start.here@ghostwriter-editor.biz](mailto:start.here@ghostwriter-editor.biz)