

HOW TO COMPETE IN ADWORDS

A GUIDE TO GETTING BETTER RESULTS
WITHOUT JUST RAISING BIDS



WordStream



GUIDE

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Google AdWords takes the word “competitive” to new heights. This fluid auction, fired off whenever someone performs a Google search, provides a platform for advertisers to compete for attention, clicks, traffic, and conversions — in short, for customers.

Too often, however, PPC managers see the need to be competitive as a kneejerk cue to raise bids. Though a top rank can be helpful, and you might have to raise your bids to get there, it doesn’t guarantee clicks, let alone that those clicks will *convert* — and conversions are what matter most.

This guide will show you how to stand out in this competitive space without reverting solely to bid-pumping tactics. We’ll examine the digital real estate you’re competing for, what prompts your ads to show there, and specific steps you can take to compete in AdWords.

WHERE SEARCHERS ARE LOOKING

Take a step back and think about where searchers look when they see the SERP (search engine results page) and what influences where their eyes go. Naturally, they’ll go to the top of the page first because that’s what’s in front of them and they’re expecting the top results to (hopefully) solve their search.

Take this Nielsen Norman Group [eyetracking study](#) with heat maps that show typical eye movements as a starting point:



The top of the page gets the most attention first, and then eyes focus along the left-hand side, forming an F-shaped pattern – and all of this occurs in a matter of seconds or fractions of seconds. What this means to you is you’ve got to stand out!

You’ll notice that the red areas, which indicate the popular viewing areas, form an F-shape. The top of the page gets the most attention first, and then eyes focus along the left-hand side, forming an F-shaped pattern – and all of this occurs in a matter of seconds or fractions of seconds. What this means to you is you’ve got to stand out!

Accordingly, from a PPC perspective, you might assume that you’ve got to be in a top-three position to get clicks – because no one looks at the right side of the page. Nothing could be further from the truth, and here’s why:

Overall, paid search ads account for six percent of total clicks. But, for keywords with high commercial intent, the sponsored results earn about **twice as many clicks** as the organic results. What does this do to the F-shape? It turns it into a backward F in which searchers are looking at the top and *right-hand side* of the page.

Even further, [our research shows](#) that sponsored ads for high-commercial-intent keyword searches receive 64.6 percent of clicks. In other words, **those searchers looking to buy a specific product are more likely to click the sponsored ads** than organic results. This is in part because Google populates the SERP for these commercial queries with a large proportion of highly compelling sponsored ads, such as Product Listing Ads. These splashy above-the-fold ads include eye-catching images and detailed product information. They’re hard for searchers who are shopping to ignore, and they may not even recognize them as ads.

The screenshot shows a Google search for "tablet computers". The search bar at the top contains the text "tablet computers" and a magnifying glass icon. Below the search bar, there are navigation tabs for "Web", "Images", "Maps", "Shopping", "News", and "More". The search results indicate "About 202,000,000 results (0.24 seconds)".

Under the heading "Ads related to tablet computers", there are several organic search results:

- [iPad mini](#) from [www.apple.com](#) with Retina display. Small wonder. Learn more.
- [Microsoft Surface™ - One Device for Everything in Life](#) from [www.microsoft.com/Surface](#). Compare Surface Specs & Features!

A prominent sponsored section titled "Shop for tablet computers on Google" is highlighted with a red box. It features five product listings:

Product	Price	Retailer
Acar Iconia W3-810-1600	\$299.00	Walmart
Asus - T100ta - 32gb - Gray	\$299.99	eBay
Nexus 10 - 32GB	\$499.00	Google Play
Apple iPad 2 with Wifi + 3G	\$529.00	Staples
Trio - Stealth Lite 4gb* Mp	\$49.99	Best Buy

Other sponsored ads on the right side of the page include:

- [Buy New 2 in 1 Ultrabook™](#) from [www.intel.com/Ultrabook](#). Laptop When You Need It, Tablet When You Want It. Compare & Shop!
- [Android Tablets - 77% off](#) from [www.nomorerack.com](#). 38,008 seller reviews. Get a wide variety of Android Tablets starting at \$49. Shop Now!
- [Tablet Computers](#) from [www.walmart.com/Tablet_PCs](#). 62 reviews for walmart.com. Save On Tablet Computers. Free Shipping Site To Store. 15240 Iliff Ave, Aurora (iliff), CO (303) 481-3904.
- [SONY® Holiday Deals](#) from [store.sony.com](#). 1 (855) 684 4418. Shop Sony Xperia Tablets - Save \$50 & Receive \$170 of Free Media! 3000 East First Avenue, Space 1125.
- [Tablet computers](#) from [www.ruggedtabletpc.com/Windows](#). Ultra Mobile. Tough. Reliable. See The Rugged Tablet Online Tour Now!

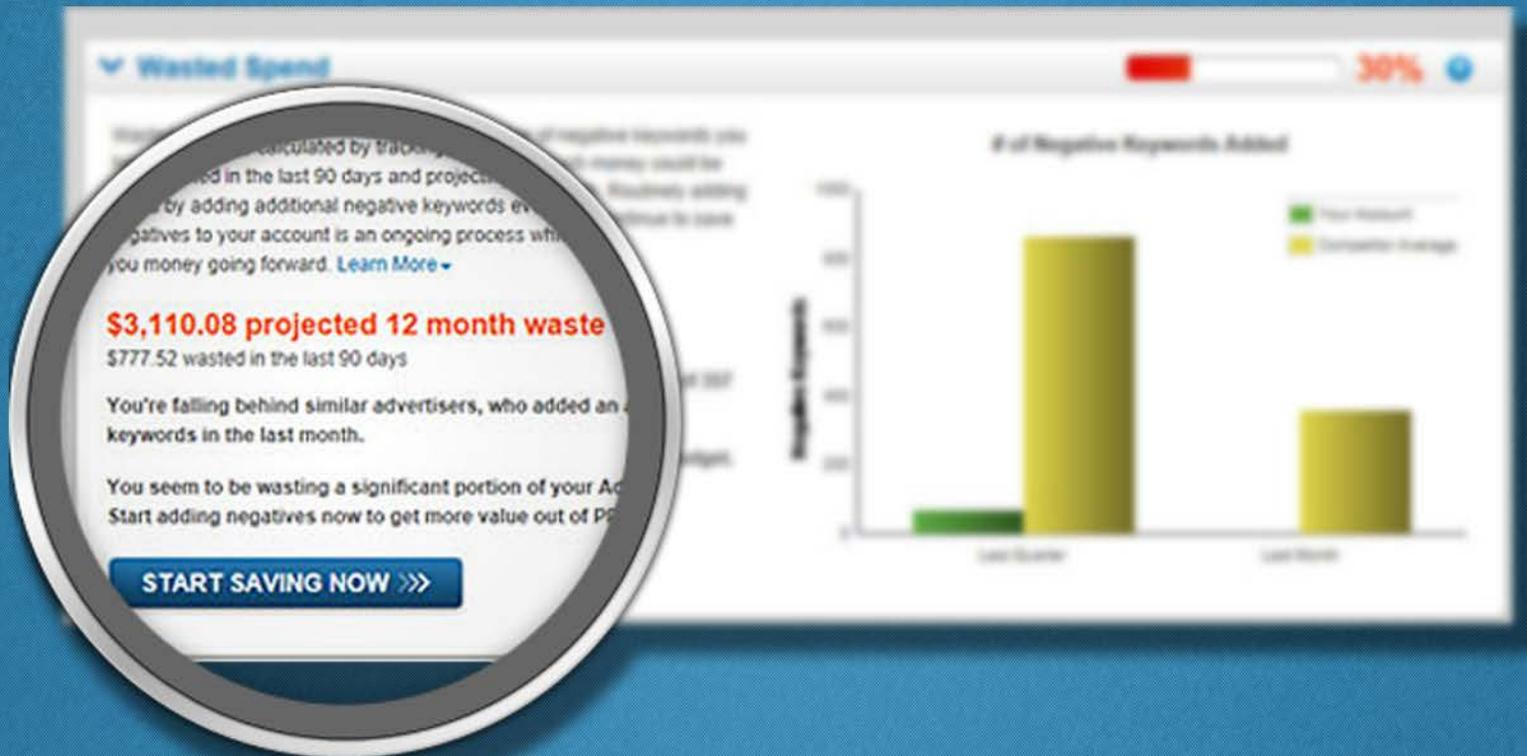
Organic search results at the bottom include:

- [Tablets and Tablet PC Reviews - CNET Reviews](#) from [reviews.cnet.com/tablets](#). Check out CNET Reviews for the latest tablet reviews, including video reviews, prices, and buying guides from CNET editors. Best tablets - Google Nexus 10 - Best Android tablets - Google Nexus 7
- [Tablet computer - Wikipedia, the free encyclopedia](#) from [en.wikipedia.org/wiki/Tablet_computer](#). A tablet computer, or simply tablet, is a mobile computer with display, circuitry and

Now that you know what the digital-real-estate layout looks like, let’s take a look at the variables that drive how you appear there and how you can stand out.

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AN AD RANK REFRESHER — AND MAJOR UPDATE

The thing to note about the formula is that by having a higher Quality Score, it's possible to outrank a competitor who has a higher bid.

Ad rank, or, position, is a simple formula. It is (or used to be) a function of your bid and Quality Score. The timeless, soon-to-be-outdated [video explanation](#) of Ad Rank from Google's Hal Varian explains how this works, but here's a visual overview of it:



The thing to note about the formula is that by having a higher Quality Score, it's possible to outrank a competitor who has a higher bid.

As we see in the example, Advertiser I outranks everyone even though she has the lowest bid, because of her stellar Quality Score of 10 (note: in ad rank, the higher number wins).

Advertiser IV, on the other hand, has done little to help himself by neglecting his Quality Score and relying on bidding high in the hopes of achieving top rank — and he still couldn't do it because of his low Quality Score.

It's important to realize that Google wants to show quality ads and provide good user experiences so people keep coming back to use their service. The example above drives home the point that merely bidding high isn't enough to achieve a good ad rank.

WHERE TO FIND YOUR QUALITY SCORES

Each keyword has a Quality Score, and you'll find it right in the AdWords interface for each keyword:

The screenshot shows the Google AdWords interface. At the top, there are tabs for Campaigns, Ad groups, Settings, Ads, **Keywords**, Audiences, and Ad extensions. Below the tabs, there are filters for 'All enabled keywords', 'Segment', 'Filter', and 'Columns'. A line graph shows 'Clicks' over time, with a peak around Friday, November 1, 2013. Below the graph, there are buttons for '+ Keywords', 'Edit', 'Details', 'Bid strategy', 'Automate', and 'Labels'. A table lists keywords with columns for Keyword, Campaign, Ad group, and Status. One keyword is highlighted with an 'Eligible' callout bubble. A callout box points to this bubble, stating 'Click this callout bubble'. Another callout box points to a detailed view of the quality score, stating 'The information you'll see when you click the callout'. The detailed view shows a Quality score of 7/10, with sub-scores: Expected clickthrough rate: Average, Ad relevance: Above average, and Landing page experience: Average. There is also a link for 'Ad Preview and Diagnosis'.

You may have noticed we mentioned that Ad Rank *used to be* a function of your bid and Quality Score. That's because Google just recently announced that the expected performance of your ad extensions will now be factored into the ranking equation.

As you can see, the three main drivers of Quality Score are click-through rate (CTR), ad relevance, and landing page experience. Google provides [more detailed information](#) about those three and other variables affecting Quality Score, but CTR is widely known to be the most important of the three.

Additionally, a good Quality Score leads not only to improved rank, but also [lower costs](#).

Here's where things get interesting for Ad Rank:

You may have noticed we mentioned that Ad Rank *used to be* a function of your bid and Quality Score. That's because Google [just recently announced](#) that the expected performance of your ad extensions will now be factored into the ranking equation. Theories as to why Google is doing this abound, but, suffice it to say, **if you're not already using extensions, now's the time to do it.**

Understanding [how extensions work](#) is imperative to good campaign performance. The examples below illustrate the "wow factor" your ads get with the addition of extensions.

EXTENSIONS IN ACTION

The diagram illustrates search results for "best christmas gifts for kids 2013". The top result is from "fatbraintoys.com" and includes a call extension (phone number), a review extension (stars and reviews), and sitelink extensions (links to "Hot New Toys" and "Best Selling Toys & Games"). The second result is from "toysrus.com" and includes sitelink extensions (links to "2013 Holiday Hot Toy List" and "MEGA Video Game Deals"). A third result is from "kaboom.org" and does not have any extensions. Red arrows point from text boxes on the right to the corresponding extensions in the ads. The text boxes are: "Call Extension" pointing to the phone number; "Review Extension" pointing to the star rating; "Sitelink Extensions" pointing to the additional links; and "Same search, different advertiser, no extensions— which of the 3 ads would you click?" pointing to the "kaboom.org" result.

Ads related to [best christmas gifts for kids 2013](#) ⓘ

Top Christmas Toys for 2013 - Quality Toys, Games & Gifts
www.fatbraintoys.com/ 1 (855) 982 3549
★★★★★ 221 reviews for fatbraintoys.com
Legendary Customer Service.
Fat Brain Toys has 123 followers on Google+
Hot New Toys - Shop by Age - Best Selling Toys & Games

2013 Holiday Hot Toy List, Fabulous 15, Furby, LeapPad
www.toysrus.com/
New Toys, Classics & Exclusives. Buy Now With Free Shipping \$49+!
MEGA Video Game Deals - Countdown to Black Friday - Holiday Hot Toys 2013

Top 10 Gifts for Kids - kaboom.org
www.kaboom.org/Gift
KaBoom's Gift Guide will keep your kids playing all winter long

Call Extension

Review Extension

Sitelink Extensions

Same search, different advertiser, no extensions— which of the 3 ads would you click?

Now that extensions are part of the ranking equation, here's where it all comes full circle. By using extensions and optimizing them, you're improving your Ad Rank in two ways:

- Google now favors advertisers who are using ad extensions, and
- Ad extensions improve your CTR, which in turn improves your Quality Score — that also helps your rank.

With the Ad Rank function settled, let's dive into actions you can take to compete at a high level in AdWords.

WHAT YOU CAN DO

Think about the tools at your disposal. AdWords gives search marketers an arsenal of free tools to compete for clicks. Take the time to learn them and you'll capture more clicks and customers than your competition.

Success comes down to three things: showing up, taking up a lot of space when you do show up, and, finally, getting attention with great ad copy and offers. You don't need to throw more *money* at your AdWords to compete — you need to throw more *time* at your AdWords to compete.

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As with all things you do in AdWords, follow the ABT (Always Be Testing) path. Complacency ruins your chances for success, therefore, have a plan in place to ABT your campaigns.

Use the following tips as a checklist for what you can do on a regular basis to compete.

CTR: Improve your click-through rate and your whole campaign benefits. Make your ads shine and you'll outpace your competition and spend less money. Three simple ways to increase CTR include:

- Have compelling offers. The offer must stand out from the other ads. Make your offer exciting to potential customers.
- Use numbers in your ads (e.g., it's not "A Huge Sale," it's "30% Off Storewide"). Numbers get attention and they sell.
- Make your CTA a strong one. Convey urgency: Order Today! Start Saving Now!

CTR rests largely on ad copy (and extensions, below). The three tips above just scratch the surface of good ad copy. Read more about improving CTR in these articles:

- ▶ [5 Lessons from A/B Tests: Improving AdWords CTR with Smarter Copy](#)
- ▶ [How to Write Ad Copy for PPC: 5 Tips for Better Ad Writing](#)

Ad Relevance: Make sure the ad is relevant to the search. A relevant ad provides information that matches the user's search query. A best practice is to **have the keyword in both the headline and description**. (Our [20-Minute PPC Work Week](#) has a built-in tool to make sure you're doing it.)

Keywords in headlines and descriptions not only improve the relevancy of your ads, but also make it possible for your keyword to be bolded in the ad, which attracts eyeballs and clicks. Here's an example for "home office desks":

Home Office Desks ←
www.livingspaces.com/Desks ▼
1 (877) 266 7300
110% Low Price Guarantee & Same Day
Delivery on all **Home Office Desks!**

The extra bolding in the title, URL, and description makes the ad appear more relevant to the search, and it stands out in the sea of ads for that search query.

Tip: Solid CTRs and ad relevancy are best achieved with tightly themed ad groups. Ideally you'll have 10 to 15 keywords per ad group so that your ads are highly relevant to the smaller ad groups. Yes, it's more work, but it's worth it.

The golden rule for landing pages is to make it as easy as possible for your visitors to do business with you.

Landing Page Experience: The landing page is how you [make sure conversions happen](#), so even if your CTR is great and costs are low, you're not really competing if you're not converting.

Your ROI soars with [landing pages that work](#). Though it's easy to just send all of your visitors to your homepage, that's hardly the best thing. Ideally your ad will take searchers to landing pages that are well-designed, reinforce the features and benefits of your offer, and provide for a smooth conversion. The golden rule for landing pages is to make it as easy as possible for your visitors to do business with you.

Ad Extensions: You already know using extensions is now a must-do. Going into the particulars of each one is a [whole other guide](#), but if you're in a hurry, check out our [cheat sheet](#) for extensions. Just remember: now that extensions are part of the ad rank equation, they're not an option. It's time to use them.

Bids: This guide focuses on all of the things you can do besides tinkering with your bids. Nonetheless, a good bidding strategy does make you more competitive in AdWords. Tactics like [bid stacking with multiple match types](#) can maximize your budget. Read the [bid management guide](#) to take an even deeper look at bidding approaches.

Keywords: Think about the various [match types](#) in AdWords and use [geotargeting](#) to be more relevant in search results. Look at your competitor's [brand terms](#) and consider bidding on them. Chances are they're already bidding on yours.

MORE PIECES TO THE ADWORDS PUZZLE

Establish a baseline:

Use the Dimensions tab in AdWords to see where you're ranking, what clicks you're getting, and how conversions look in various ad positions. You'll glean valuable insights from this data and might rethink your ad rank strategy.



Search terms	Avg. Pos. [?]	Conv. (1-per-click) [?]	Clicks [?]	Impr. [?]	CTR [?]
	1.0	2	10	217	4.61%
	1.0	2	1	2	50.00%
	1.5	1	1	2	50.00%
	1.0	1	1	1	100.00%
	3.6	1	1	76	1.32%

Monitor this over time and test it to see what rank makes sense for your business.

STR: Search Term Reports (STR) are often neglected (because who has time for that?) but you should *make* time. [Use the STR](#) to find the cheaper, higher-converting keywords that have less competition as well as new keywords to bid on. You'll also find potential [negative keywords](#) to add to your campaigns so you're not wasting money on bad keywords.

Isolate Low QS Keywords: Sometimes you'll have one or two keywords in an ad group that have consistently low Quality Scores no matter what you do. They become a drag on the whole group and your campaign. The way you address this is to employ the "peel and stick" method:

1. Download your keyword report with all Quality Scores included. Look for the keywords with low Quality Scores.
2. Create new, extremely tight ad groups for those keywords. Peel them out of the old ad group(s) and put them in their own ad groups with highly relevant ads and focused landing pages.

Alternatively, assess whether the keyword(s) make sense to be bidding on. Pause or delete them if you determine they're not high-value keywords for your business.

Seasonality: Holidays and business cycles are key opportunities to show your competitive edge. Timely, relevant ads and [seasonal landing pages](#) give you an advantage because you're showing that you understand customer needs and mindsets.

See more on advanced holiday AdWords strategies:

▶ [Holiday PPC Planning: Three Advanced Strategies for AdWords](#)

Competition: This last one tends to get overlooked. We get so wrapped up in our own metrics that we forget the obvious: Look at your competition.

Look at their ads and offers. Ask yourself if you're truly competitive. If you can't compete with the offer, make sure your ad copy and extensions improve your "click appeal" in spite of a weaker offer. Appearance, enthusiasm, and words sell!

Do some sleuthing, too. Use WordStream's Competitor Website Crawler (under Keyword Research Tools in PPC Advisor) to determine which keywords are most important to your competitors. If you know this you can attack them head-on for those keywords, or find weak spots (keywords they're not focused on) and capture those clicks.

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CONCLUSION

Now you've got the tools to compete in AdWords without falling back on bid-pumping. You also understand that rank is about more than your bid alone, especially now that extensions are part of the equation. Focus on taking up as much digital real estate as possible, and create ads and landing pages that work.

ABOUT WORDSTREAM

[WordStream Inc.](#) provides software and services that help marketers get the maximum results from their online marketing efforts. WordStream's easy-to-use software allows for more effective paid search and social campaigns with the 20-Minute Work Week, a customized workflow that guides marketers through steps that can greatly improve their AdWords, Bing, Yahoo, and Facebook campaigns, plus tools for call tracking, keyword optimization, and more. WordStream also offers an award-winning free PPC tool, the AdWords Performance Grader, which evaluates users' Google AdWords accounts and provides valuable tips for improvement. WordStream is a [Google Premier Partner](#).

