Google AdWords

Mippin's report on the fundamental differences between AdWords PC and AdWords Mobile

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The earlier series of AdWords Mobile reports, published in January 2009, have been replaced with this version combining all previous chapters.

Introduction

While digital marketing is well developed for the PC Internet it is still nascent in the mobile internet market. At Mippin we have been investing in customer acquisition via emerging mobile marketing channels including Google AdWords, Yahoo, MSN, AdMob, Get Jar and many more. As part of this process, we have captured our experience of the network we've worked with the most – Google AdWords Mobile – to publish a summary of our experience highlighting what we believe are the main differences between Google AdWords for PC and mobile.

One quick proviso before moving on; both PC and mobile versions of Google AdWords can be as simple or as complex as an advertiser requires. For the purposes of this report we've assumed a little familiarity with AdWords and with concepts such as bid rate, cost per click (CPC), cost per acquisition (CPA) and Quality Score, though we will provide summary information where possible. In addition, the report will only be reviewing the AdWords Mobile search network and not the AdWords Mobile content network, as it's the search network that's the most sophisticated tool and consequently where many of the differences occur. This report doesn't include analysis of AdWords Mobile image ads either. For more information about how to construct a basic AdWords campaign, there are plenty of guides available which cover this process, with "AdWords for Dummies" by Howie Jacobson being a great starting point.

Mobile Ad Campaign Components

Google AdWords Mobile launched in mid 2007. Though the PC version has been around for many years, there are some fundamental differences with its mobile counterpart, beyond simply the size of the ad that appears on mobile phone screens. To summarise AdWords, it is Google's advertising service, enabling advertisers to promote relevant goods and services to Google search users by process of an inventory auction. Ads appear alongside Google's search results,

with the advertiser deciding if they should appear beside PC or mobile phone search results. As with the PC version, Google's AdWords mobile service is designed to prevent or penalise advertisers who wish to advertise their goods or services beside unrelated search queries, with the rationale being that a user searching for "holidays" for example does not want to be shown an ad for "Mippin News & Sports". Like its web equivalent too, AdWords Mobile ensures ads stay relevant to search queries by using a number of complex algorithms to decide on the relevancy of an ad and to determine if it should be shown and in what position within the search results. Understanding what constitutes relevancy in AdWords Mobile requires a number of considerations, beginning with five basic components.

1. the **[Keyword]** searched for by the user, triggering a search (defined by Google AdWords as an "impression")
2. the Mobile Ad character headline **[x]** used in response to search term
3. the Mobile Ad character descriptor **[y]** which sits below the headline
4. the Mobile Ad character clickable URL **[z]** sitting below the description
5. the **[Landing Page]** selected behind the URL

The 5 basic component parts of a mobile ad campaign

Here we have the process of a mobile internet search for a particular topic, returning an ad that is related to the topic, linking to a Mippin page providing news and information about the topic. There is actually very little difference for PC and mobile advertisers to consider here; AdWords will display the most relevant ads because it reflects the interest of the search user while also complementing Google's own natural search results. By focusing on providing relevant ads in response to search terms, AdWords can also be confidant advertisers will achieve clicks on their ads and reach new customers. To achieve this relevancy, advertisers will need to include text relating to the search term within the ads themselves. To assist this process for mobile advertisers it can be helpful to consider the five components described above as five parts in a user journey:

(1) user search query
(2) a response, featuring a related good or service
(3) further information qualifying the offering
(4) a URL address corresponding to the offering
(5) user arriving on an advertisd site to make a purchase or use a service

To ensure that a user journey for a mobile ad is as smooth as possible, AdWords enables advertisers to adjust each of the different components to create the best journey directing users to an advertisers' goods or services. Relevancy can be applied at every stage by ensuring that all of the mobile ad components are consistent with one another, relating each directly – if possible – to the search term with which the user begins their journey. This is the basic route to creating relevant ads and the concept is applicable to both AdWords PC and mobile advertisers. Over time each component in the journey can be individually control tested to ensure it is working as well as possible and in conjunction with the other components. The Control Testing explains this point later in the report.

Quality Score on Mobile

Understanding the basic components for mobile advertising is the first step in recognising what needs to be adjusted to provide the best journey to an advertised product or service. Once an advertiser has created their first mobile ad featuring relevant text, the next step is for AdWords Mobile to decide how relevant an ad is and if it should sit in a better position than a competitor. To do this AdWords uses a mechanism called "Quality Score". To provide an overview, Quality Score determines the level of relevancy of one ad over another within the AdWords inventory auctions. Quality Score is actually a combination of a number of different algorithms working towards a single objective: to allow Google to serve the most relevant ads in response to each search. Google achieves this by assessing ad relevancy metrics, including but not limited to the mobile ad components, to decide which order ads should be listed in.

Though there have been recent changes to how it is deployed, the role of Quality Score in AdWords has not fundamentally altered since it launched, so that it is now quite a mature and sophisticated tool. As well as the ad components in both PC and mobile campaigns, the factors it analyses include click through rates (CTR), bid rate, search keywords, ad text, landing page relevancy, account history, historical click through rates of previous campaigns, plus many more. A full list can be obtained here:

http://adwords.google.com/support/bin/answer.py?hl=en&answer=10215

When advertisers launch campaigns, the level of ad relevancy will play an important role in determining Quality Score ranking. When advertisers adjust the relevancy of their ads to match the search terms they're targeting, AdWords will analyse the impact of these adjustments using the Quality Score metrics that track changes to the mobile ads themselves. Depending on the changes made, an ad Quality Score rank will either rise or fall, resulting in an increase or

decrease in impressions, changes to the ads position against competitors and other affects. For PC ad campaigns, the relationship between advertisers' efforts to improve relevancy and consequently ad Quality Score ranking are well documented, however in mobile this relationship is only now becoming clear.

To highlight the areas a mobile advertiser will need to consider and why, we must first examine the main difference between the AdWords PC & mobile services. The first fundamental difference is that not all the Quality Score metrics used for the PC service can be used to calculate a mobile ad Quality Score ranking. The reason for this is that there are less global technical and software standards in place to be used by mobile operators, handset manufacturers and developers than on the PC internet. This means that some of the well established metrics used in determining Quality Score on the PC must be excluded from Quality Score algorithms for mobile ad campaigns. The missing metrics include landing page relevancy and site cookies, plus other important user profile information, all of which is either not included in the Quality Score algorithms or not reliable enough to be used regularly. Consequently this means that AdWords Mobile must place more emphasis on the metrics that do work and of the metrics that do work probably the most important for an advertiser to know about is the metric of click through rate (CTR).

With some metric data unavailable, click through rate becomes more important for AdWords Mobile than PC for two reasons: the difference in size between PC and mobile phone screens and the difference between Google PC and mobile search user interfaces. Regarding screen size, in AdWords Mobile there are generally only two paid ads returned per page of search results, due to the smaller size of mobile phone screens. Meanwhile, physically smaller screen sizes provide a more challenging environment to navigate and scroll, which in spite of a relatively simple Google mobile search user interface, means most users place greater emphasis on the results on the first few pages of mobile search results. Though a positive click through rate on an AdWords PC ad will

contribute to improving an ad Quality Score, the fact that there are less Quality Score factors to calculate mobile ad Quality Score ranking means the surest way for AdWords to determine ad relevancy is by using click through rate as the main metric in its algorithm. This point is underscored by the fact that ads appearing on subsequent pages of mobile search results are even more unlikely to be clicked on.

Though it's a simplified view, the dominance of click through rate over other Quality Score factors on mobile is indicative of the idiosyncrasies of AdWords Mobile. Essentially the service is still much younger than the PC equivalent and can not provide all the functionality of the original. With technical integration between AdWords and mobile operators / networks still occurring in many parts of the world, plus less search users on mobile phones than on PC (at least in the UK and USA where lack of traffic has virtually negated the need to "Phrase Match" or "Exact Match" until the recent introduction of the mobile keyword tool), coupled with the challenges of delivering a consistent user interface experience to thousands of different devices, the sophistication of Quality Score on mobile does not yet match the PC version and consequently requires a different approach from those looking to advertise on mobile. The question to mobile advertisers is how to take advantage of it?

Maximising relevance to bring down cost per click

One of the benefits of using AdWords on either PC or mobile is that when an ad achieves a higher Quality Score ranking, campaigns begin to be rewarded with a lower cost per click (CPC - a lower cost to the advertiser each time an ad is clicked). Though recent changes to AdWords mean it is now possible to see exactly what bid rate is required to appear on the front page of Google search results (the cost per click an advertiser is prepared to pay), an adverts Quality Score will still play a crucial role in determining how relevant an ad is and if it deserves to benefit from a lower minimum cost per click bid rate.

To help explain: assuming that two ads are competing for top position on the first page of mobile search results, an advertiser may want to know how to achieve first place position and pay less for it than a competing advertiser. Is this possible?

Using AdWords Mobile it is definitely more possible when we understand the extent to which click through rate impacts on Quality Score above all other factors. As click through rate is directly linked to ad relevancy, spending time to match potential search terms to ad components will help to achieve a higher Quality Score rank in the long run and consequently a lower cost per click bid rate to participate in the inventory auction. In addition, when the cost per click reduces it also signals the beginning of a virtuous cycle of value to users, advertisers and to Google AdWords because ads become increasingly relevant to search terms. Meanwhile advertisers benefit from cheaper cost per click and greater reach. One final advantage in this virtuous cycle is that a barrier to entry is introduced to competing advertisers because they are forced to make their own ads more relevant, or focus instead on other metrics to improve their Quality Score, most notably their bid rate.

In making this point though it is necessary to caution that there are two scenarios when this standard assessment does not apply. Firstly a high click through rate is not always entirely dependent on high ad relevancy, especially on mobile. This is because mobile ads which may not seem relevant can in fact generate a reasonable to high click through rate on the basis that the numbers of mobile optimised services available are still relatively limited. Consequently mobile internet users are still happy to be introduced to new mobile optimised services. This point is discussed further in the Ad creative / collateral chapter. Separately, though click through rate is the most influential factor determining Quality Score, advertising competition can also seek top ranking on the first page of mobile search results by manipulating other factors, such as setting excessively high bid

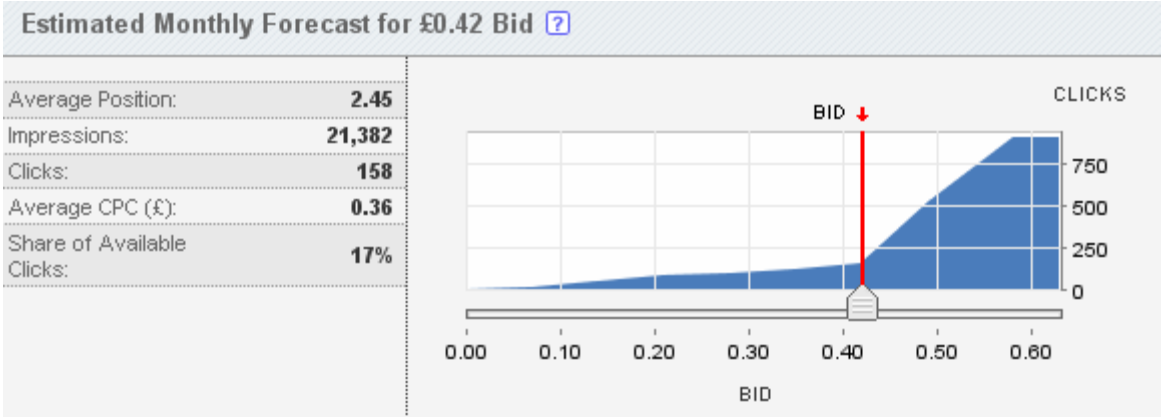
rates, so that in some instances the AdWords Mobile inventory auction may not behave and judge success as transparently as it should i.e. if Google is able to monetise keywords more strongly elsewhere, higher click through rates as a result of greater ad relevancy can sometimes be less effective than a very high bid rate. However, though the launch last year of first page bid rates enables advertisers to focus less attention on Quality Score and more on outbidding competitors, the cost per click bid price will be different between advertisers based on the varying degrees of ad relevancy and the click through rates they generate. A typical cost per click might be 3p for an extremely relevant advert and a minimum of 50p for running an ineffective one.

In summary therefore the system works as it is meant to, so that more focused adverts targeting particular content topics, propositions or keyword clusters can generally drive down the cost per click and often by considerable margins. This opens up the opportunity to create the same volume for less money or raise the cost per click bid rate to drive more and more volume.

Driving more volume through CPC

Digressing from Google briefly to look at Yahoo! Mobile where there is a useful line chart that predicts traffic volume for a certain keyword or group of keywords at different bid rates. To understand Yahoo! Mobile it is worth noting that its ad auction relies less on Yahoo's equivalent of Quality Score and much more heavily on the market and ultimately what advertisers are prepared to pay to outbid their competitors. Yahoo's tool makes it simple to predict how much traffic can be generated for a particular cost per click. If more traffic is required, a bid rate can be raised at any time to enable ads to outperform a competitor, based on traditional auctioning principles: the advert that pays the most wins. (Unfortunately the tool does not use live rates, so the time delay will lead to discrepancies between what is predicted and what actually occurs.)

Yahoo! Mobile forecast line chart



Google's introduction of first page bid rates goes some way to providing a similar tool for AdWords advertisers, and its recent launch of mobile search traffic data helps to complete the picture. There is however a major difference between Google and Yahoo in forecasting traffic because of the impact Google's Quality Score exerts. As Quality Score will vary according to the ranking for each ad matched to a keyword search term bid, some ads will achieve better positions than others for the same bid and consequently be able to drive more traffic than a competitor for the same price. This raises the question that if cost per click can be reduced by increasing relevancy, does this mean more traffic can be driven by raising the cost per click bid rate while still enjoying a corresponding improvement in the value of each click as traffic grows?

There are two ways to explore this idea – elasticity of search traffic and analysis of product or service usage after an ad click. Later chapters explore how to analyse product and service usage but in terms of traffic elasticity, certain popular mobile search areas exhibit trends which see some keyword groupings open up the doors to further traffic increases better than others. For example anything to do with areas around technology has enormous flexibility to the cost per click (e.g. a 50% increase in the cost per click can generate up to eight times

the volume of traffic) while other groupings will barely move the needle (e.g. specialist adverts focusing on areas like fishing will expose much of the available volume in any case). Popular interest areas on mobile such as sport and celebrity, and searches for mobile wallpapers, video, ringtones and other traditional mobile content will demonstrate degrees of elasticity but finding the opportunity areas to accelerate is more art than science and will depend on the service being advertised. The opportunity to drive more volume also introduces another balancing act in that there comes a point when the extra exposure that can be achieved with a higher bid rate sees results generate diminishing returns (because at some point the same amount of users will see the same ad over and over again, clicking on an ad less and lowering click through rate). It is advisable to send up the volume to this point; maximise users without leading to degradation in the effectiveness of the campaign by re-advertising to existing users.

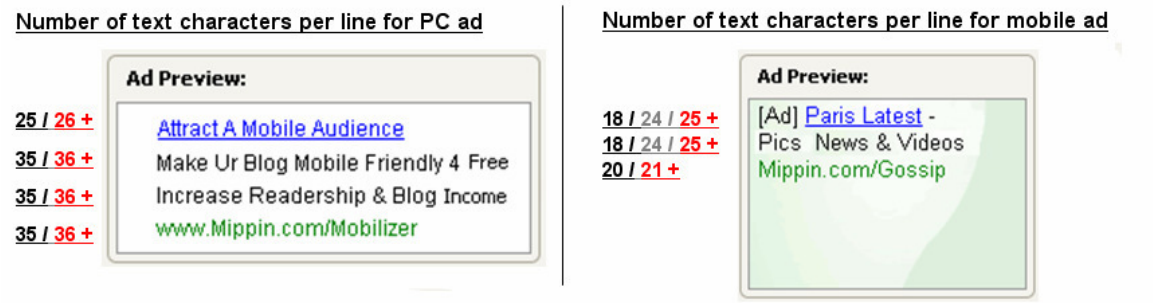
Ad Creative / Collateral

Though the idea of improving relevancy to increase the effectiveness of an AdWords campaign is not exclusive to AdWords Mobile, ensuring each mobile ad component is as relevant as possible takes time and will require some trial and error. There are some techniques specific to mobile that are also worthwhile to achieve elasticity of cost per click bid rates.

Returning to the ad components once more, with mobile ad campaigns there is less space than the PC equivalent to explain product or service features, with only three lines of text and lower character limits per line in mobile ads. Compare the size of the PC ad with the mobile ad below. Though some smart phones have recently begun to serve PC ads, most smart phones will at best see only 24 characters in the top two lines of the mobile ad served (marked in grey, below right), while other internet capable phones will see only 18 characters of text in

the top two lines (marked in black, below right; the colour red indicates when the character limit is exceeded in both cases.)

Comparison of AdWords PC ads versus AdWords Mobile ads



Though there are less competing advertisers currently using AdWords Mobile, which theoretically should mean mobile ad campaigns can succeed more easily, this combination of limited ad space plus the different ability of mobile Quality Score algorithms means a specific approach can provide additional benefits and help guide an advertisers choice of ad creative. To begin with, advertisers should consider that they're targeting an audience with different expectations to those using PC search. Mobile search users will normally be engaged in a different activity than their PC equivalents, i.e. it's more likely mobile search users will be outdoors. This means there's an advantage in reminding mobile search users that an advertised service is mobile optimized and designed to aid the user wherever they are. Demonstrating an awareness of mobile context by using ad creative, presenting a service as quick, easy and optimized for a variety of phones is a hugely attractive proposition in this context. In addition, given that many internet capable phones contain multi-media functions, it is useful to highlight how a service integrates or works in conjunction with these features. Traditionally some of the most successful mobile search ad campaigns have been from services offering premium mobile content, such as wallpapers, 3gp videos, ringtones etc, where the product / service inherently references the context and use of a mobile device by the user. Not all new mobile services are able to advertise as explicit a relationship between their services and a phone's

multi-media capabilities but it is certainly possible to emphasize any developed with mobile in mind, around the core offering of the advertised product or service. Deciding which elements of a product / service best emphasize the offer, while associating the ad to mobile usage or features takes time and a bit of creativity, though it's also helpfully aided with the process of control testing, discussed in the next chapter.

The concept of adapting ad creative for mobile is part of an overall suggested approach to incorporate "mobile ad language" because it clarifies advertised services are made for mobile and can provide a competitive advantage. The cause of this is that mobile ads are served within the context of Google's own natural search results. As with AdWords Mobile, Google's consumer facing mobile search service is younger than its PC equivalent and though it attempts to provide search results from mobile sites only, it often cannot distinguish between websites optimized for mobile and sites designed for just PC viewing. Google's strategy towards providing mobile search results appears device dependent, though generally it does provide users with the choice of searching via its normal web search or via a mobile specific version. However it cannot always identify non-mobile optimized sites in search results. Consequently it has to rely on the use of transcoding technology to enable less capable phones to access the results it provides from full websites. While many search users will select only known mobile optimized sites, other users will be browsing content and will not know which sites are mobile optimized, leading to a less than optimal experience, worsened by limited bandwidth speeds and lower end device rendering. Therefore clarifying an advertised product or service is mobile optimized and works easily on mobile phones is part of the process of reassuring users that a product or service is right for them. It also has the added benefit that it helps an advert to stand out as potentially a better solution than Google's own natural search results. The subsequent rise in click through rate provides the competitive advantage.

The Control Testing chapter next shows how advertisers can gradually improve the effectiveness of their mobile adverts but examples of mobile ad language to be included in the ad text or appended to the display URL are “Made for Mobile”, “4 UR Phone”, or “Mobile Optimized”. There are many more variations. In addition it may be useful to include mobile “text speak” in mobile ads because it inherently references mobile culture, as with the examples below. Use of any of these examples may be the deciding factor between a high and low ad click through rate.

Some examples of mobile ads with “mobile ad language” creative

A further challenge for mobile creative is how to identify what kind of mobile ad language best suits products and services that traditionally haven’t targeted mobile internet users before. There are an increasing number of advertisers from all industries using AdWords Mobile, though many of Google’s mobile search users still tend to be interested in traditionally popular content or services, as explained earlier. Therefore it is sensible to emphasize elements of any product / service that can connect with these audiences and their experience of the mobile internet to date. If this sounds confusing, here are some examples of the angles different advertisers might adopt to target mobile search users: a books review site can advertise how reviews are adapted to any mobile screen size; a property site can mention that pictures of its properties are interactive; a concert ticketing service can advertise priority bookings for mobile phone “click to call” users. It’s possible to be hugely creative around this one single idea of mobile ad language, in conjunction with the advertised product or service, and it’s worthwhile because

even when an advert has no real relevancy to a search query, mobile users are still sometimes attracted to the discovery of ads that reference mobile. For example, a search for “Yahoo Mobile” may drive a reasonable click through rate on an ad that promises “Videos made for phones”, even though the ad is not directly related. Until internet on mobile users are more familiar with the growing range of mobile services available and know what to expect from search results, and how to navigate to mobile optimized sites, bridging the gap that allows them to recognise the differences between PC internet and mobile can be hugely advantageous. However as with the PC equivalent, all AdWords Mobile advertising campaigns can only really begin to be judged successful according to the objectives the advertiser sets themselves.

Setting the right goals

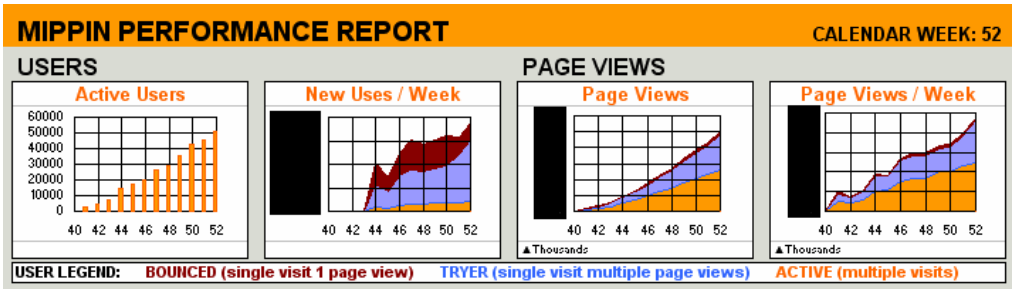
Launching an AdWords campaign for mobile provides different challenges, from the right choice of search keywords to target and how they will reflect the interests of mobile search users, through to the pricing strategy used to serve mobile ads above a competitor. In much the same way, analysis of the effectiveness of a mobile campaign can also benefit from a different approach to that of a PC campaign.

In creating any AdWords campaign, setting the right goals are key and AdWords Mobile might not be able to help. AdWords on both PC and mobile is an incredibly rich tool for being able to monitor the performance of keywords and campaigns, being designed to educate the advertiser on how to maximise the greatest possible click through for the lowest possible sum. But it is also important to consider what the ultimate objective of the ad campaign is to be. The experience with Mippin was to set goals to create as many repeating users as possible, rather than targeting the sale of a product or capturing personal information. Mippin called this target metric “retention” (though it’s often referred to as acquisition or conversion,) and defined it as a user returning to the service

a second time, at which point they were recording as an “Active” user. The reason this target metric is important is because though a mobile ad campaign may deliver a lot of ad clicks at a low cost per click, these users may not go on to buy or use a product or service, which ultimately means the campaign is not working cost effectively.

On the PC internet, Google’s AdWords Analytics programme provides a service which runs in the background of websites and identifies when “retention” or “acquisition” occurs and then matches this data with the mobile ads plus other recorded data. When the cost of a campaign and a particular set of ad components generate high clicks, low costs and high rates of retention, advertisers will typically seek to focus more marketing budget to the ads and keywords targeting this group of search users, as it is achieving improved return on investment. However in AdWords Mobile this ability to analyse specific mobile ad components against retention or conversion is not available because Google does not yet provide a version of its analytics programme for mobile internet sites (though it has recently launched AdSense Mobile). This means it’s necessary to manually track which of the set of AdWords Mobile variables are impacting the rate of retention. To help, there are a number of mobile website traffic tools that now integrate with AdWords at some level, including AdMob Analytics and Bango Analytics. In summary though, the process of matching traffic and cost with retention or acquisition can take time but is essential to help improve the effectiveness of mobile marketing with AdWords. Going beyond this point, it is even more important that the goals of a marketing campaign are decided before launch because it’s essential to know what constitutes a successful campaign, as illustrated below.

Mippin traffic report at launch October 2007



The above traffic report highlights the specific metrics Mippin set before launching its service and mobile ad campaigns; Active users (retained / acquired / converted), Tryers (exploring once but not returning), Bouncers (users leaving after one page view) - the three types of user Mippin could potentially acquire from its ad campaigns. With these performance indicators in place it was possible to look at which set of ad components and other criteria generated the highest rates of retention in the form of “Active” user, at the lowest cost. To enable this tracking without AdMob & Bango, Mippin included a referrer appended to each of the destination URLs, matching traffic to the service with the adverts that generated the traffic. AdMob and Bango now both provide referrer tracking services themselves.

Control testing

Once a system is in place to examine how to track traffic to a site and to match this traffic against the AdWords Mobile ad components (search keyword, ad components and destination URL), alongside retention rate, the process of implementing changes to improve the effectiveness of either an AdWords PC or mobile campaign is called ”control testing”. Though it can be generally assumed retention rate will be related to consistency of ad creative and landing page to one another (ensuring the best possible user journey), there are times when a specific keyword, particular use of text, a display URL or other variables will lead to differences in retention rates between ads. Control testing is a familiar concept to AdWords PC advertisers but for new mobile advertisers the following describes the basic process.

The concept of control testing is actually straightforward. Typically an advertiser creates two identical ads targeting the same keyword, with exactly the same bid rate, taking clicking users to the same landing page product or service. When one of the components in the journey is changed, while everything else remains the same, analysis of how often retention occurs depending on the traffic that

passes through each ad may reveal a regular pattern of increased or decreased rate of retention. The difference should theoretically highlight which component is more effective in generating higher levels of retention in the user journey.

Two almost identical mobile ads for control testing

In the above image, the difference between the two ads is the use of the word “info” instead of “vids” in the second line. The ability to identify which component between the two ads caused the change is the “testing” element, while “control” refers to the ad which over time slowly assumes the characteristics of all the best performing ads. It becomes the control ad against which new testing occurs – the “A” ad.

When control testing, it is generally advised that only one component is changed between two control ads to ensure accuracy of analysis. However the component that is altered can exist at any of the points in the user journey:

- The cost per click bid price
- The search query
- The advertising collateral / creative (any part of the components of the ad)
- The advertisers landing page or choice of product or service

Once a control test has been implemented, it is necessary to analyse the effectiveness of each control against the campaigns objectives. Control test

periods of one week are usually enough time to analyse the effectiveness of most campaigns. Judge the cost of retention of each ad against one another and implement the appropriate changes, recording the changes as you progress through your campaigns. This can be achieved using Microsoft Excel in conjunction with all traffic report data if it is reliably cross-referenced week on week and a system exists to record even small changes made to the ad components. As is the case with both PC and mobile, a campaign should gradually improve the return on investment, both in terms of time and revenue.

Conclusion

The differences between AdWords PC & mobile can be monumental to an experienced AdWords PC advertiser, while barely noticeable to someone new to both services. However there are many instances when a mobile approach to AdWords Mobile campaigns will pay off, providing easier campaign management, quicker decision-making and greater return on investment. By utilising some or all of these techniques it should be possible to run a successful advertising campaign that takes full advantage of the growing and ever popular use of the internet on mobile phones. The key take-aways for mobile ad campaigns:

1) Set campaign objectives
2) Carefully consider keywords targeting mobile users interests
3) Match ad creative with keywords, incorporating mobile ad language
4) Be imaginative relating goods and services to a mobile audience
5) Control test adverts, and other components
6) Exploit the pre-eminence of click through rate; drive volume for lower cost
7) Watch for changes to the AdWords Mobile service at http://googlemobile.blogspot.com

Good luck with your AdWords Mobile campaigns!