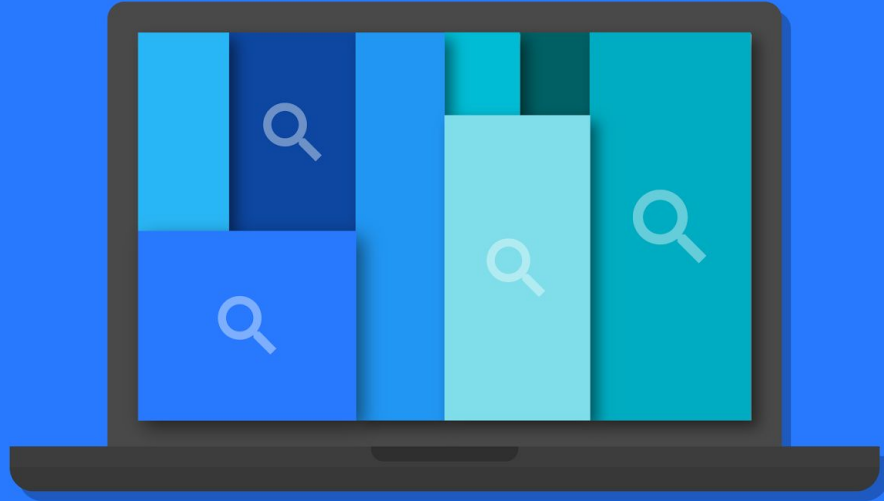# Search Advertising exam refresher guide

Welcome to the Search Advertising exam refresher guide - the perfect way to prepare for your exam. We'll cover everything from how search works, how to organize campaigns, ad formats, and how to monitor and optimize performance. This handy resource is a shortened version of the full Search Advertising study guide, which is available on our Partners Help Center. You'll also find additional information and plenty of helpful links throughout.

Remember that your Search Advertising exam covers basic and advanced concepts including search fundamentals, bidding and targeting strategies, performance and monitoring reporting, and more. You can expect 98 questions, there's a 120 minute time limit and an 80% passing score. You'll need to pass both AdWords Fundamentals and Search Advertising exams (or one of the other AdWords exams like Video, Display, Shopping or Mobile Advertising) to become AdWords certified.

Here's what we'll cover in this refresher guide:

Module 5 Performance Monitoring and Reporting

Module 6 Optimizing Performance

Module 7 Performance, Profitability and Growth

Module 8 AdWords API

Module 1 Search Fundamentals Review

Google Partners

1.1 Organizing campaigns and ads in your account

Understanding the relationship between the layers of your account will help you to organize your ads, keywords and ad groups into effective campaigns that target the right audience.

How AdWords is organized

AdWords is organized into three layers:

1. Account
2. Campaign
3. Ad group

Why you should organize your ads into ad groups and campaigns

To show ads that are relevant to the searches of people you're trying to reach, bundle related ads together with related keywords into an **ad group**. That way, all of your related ads can be shown to customers searching for similar things. A collection of ad groups forms a **campaign** - the master control for your ad groups where you can choose:

- How much you're willing to spend on clicks or conversions
- Networks and geographical locations
- Other top-level settings that affect clusters of ad groups

Learn more about **organizing campaigns and ads in your account»**

1.2 Using keyword matching options

Keyword match types help control which searches can trigger your ad. For example, you could use broad match to show your ad to a wide audience, or you could use exact match to hone in on specific groups of customers.

About keyword match types

Learn about the different keyword match types (broad, phrase, exact, and negative) and how selecting the right ones for your keywords can help you reach your AdWords goals in this video.

How keyword match types work

- **Broad match:** These may show if a search term contains your keyword terms in any order and possibly along with other terms.

- **Broad match modifier:** Your ads can only show when someone's search contains those modified terms, or close variations of the modified terms, in any order.

- **Phrase match:** Your ad can show when someone searches for your exact keyword, or your exact keyword with additional words before or after it.

- **Exact match:** Your ads can appear only when someone searches for your exact keyword, without any other terms in the search.

- **Negative match:** Your ad won't show if a search term contains the keyword term that you define with a minus sign (-) prefix.

Close keyword variations

We'll show your ads for close variations of your phrase and exact match keywords to maximize your potential to show your ads on relevant searches.

How to choose the right keyword match types

When choosing the appropriate match type for a keyword, we typically recommend using a 'broad-to-narrow' strategy. Monitor your keywords' performance over time and make your keyword match types more specific if you find that your ad is showing up for too many irrelevant variations of your keywords.

Once your broad matches have gathered impressions and clicks, review the search terms report to monitor which keyword variations triggered your ads.

Learn more about **using keyword matching options»**

1.3 Using broad match

Broad match is the default match type that all your keywords are assigned if you don't specify another match type (exact match, phrase match or negative match).

How broad match can help you

You can set any or all of your search-targeted keywords to broad match to help you spend less time building keyword lists, and spend your money on keywords that work.

When other options might be more helpful

- Your Quality Score helps determine where your ad shows, and broad match keywords may contribute to a low Quality Score if your keywords appear relevant for too many search terms.
- You'll generally achieve a higher clickthrough rate (CTR) with exact and phrase match.

If you've several keywords set to broad match and would like to see the actual search queries that triggered your ads, this information can be found in the "Details" drop-down menu on the Keywords tab.

Use broad match modifier for more control over broad match

Adding modified broad match keywords can increase campaign clicks and conversions, while providing more precise control than broad match. Modified broad match lets you specify that certain broad match keyword terms, or their close variants, must appear to trigger your ad. Close variants include misspellings, singular/plural forms, abbreviations and acronyms, and stemmings (such as "floor" and "flooring").

Learn more about **using broad match»**

1.4 Using broad match modifier

You can add a modifier to your broad match keywords to specify that certain words must be included in someone's search term to trigger your ads. Since broad match modifier allows you to target searches that include at least one of your keywords, it can help increase how relevant your traffic is to your ads and improve your clickthrough (CTR) and conversion rates.

How broad match modifiers impact traffic and clicks

Modifiers add more specificity to your broad match keywords and therefore narrow their reach. So, while using a broad match modifier can increase the relevance of your keywords, it in turn can decrease your expected traffic.

Best practices for additional relevant clicks:
- Leave existing broad match keywords active
- Compare new and existing keywords based on performance by adding new modified broad match keywords to existing campaigns

If you've primarily used:
- **Broad match keywords** - consider adjusting your bids as you add more relevant modified broad match keywords. A higher cost-per-click (CPC) bid may increase your click volume and conversions.
- **Exact and phrase match** - adding modified broad match keywords may help you to reach more customers while retaining control over which search terms match your keywords.

Learn more about **using broad match modifier»**

1.5 Account, campaign, and ad group performance

AdWords is organized into three layers (levels): **account**, **campaigns**, and **ad groups**. Customize your view of your performance data to make it as broad or specific as you want.

Your **account** is associated with a unique email address, password, and billing information. For reporting purposes, though, it's helpful to think of your account as a collection of campaigns. If you want to see performance data for your entire account, click **All campaigns** in the side panel of your AdWords account.

Your campaign data

An individual campaign has its own budget and settings that determine where your ads appear, and is made up of a collection of ad groups. Each of your campaigns is listed in the side panel of your AdWords account, and they also appear when you click the **Campaigns** tab in the middle of your screen.

Your ad group data

Your ad group contains a set of similar ads and the words and phrases, known as keywords, that you want to trigger your ads to show. When you click on a campaign, AdWords will show you a view of the campaign's performance broken down by its individual ad groups. You can also see ad group data by clicking the **Ad groups** tab in the middle of your screen.

Learn more about **account, campaign and ad group performance»**

1.6 Understanding ad position and Ad Rank

Ad position is the order in which your ad shows up on a page. Ads can appear on the top of a search results page, on the side of the page, or on the bottom of the page.

How ad position is determined

Ad position is determined by your Ad Rank in the auction. Your Ad Rank is a score that's based on your bid and the components of Quality Score. The quality components of Ad Rank are a measurement of the quality of your ad text and landing page in the context of what a user is searching for.

We also incorporate the expected impact from your extensions and other ad formats when computing your Ad Rank. When doing so, we consider such factors as the relevance, clickthrough rates, and the prominence of the extensions or formats on the search results page. So even if your competition has higher bids than yours, you can still win a higher position at a lower price by using highly relevant keywords, ads and extensions.

Watch a video on **how to optimize your AdWords ad position»**

How ads cycle through the search result pages

The ad with the highest Ad Rank appears in the first eligible position on the search results page. The ad with the second-highest Ad Rank appears beneath it, and so on down the page.

All high-ranking ads are eligible to show in the top positions, provided they exceed a certain Ad Rank threshold. These are "Top" placement ads. "Other" placement ads are located at the side or bottom of the page.

Learn more about **understanding ad position and Ad Rank»**

1.7 Actual cost-per-click (CPC)

Actual cost-per-click (CPC) is often less than your maximum cost-per-click (CPC) because with the AdWords auction, the most you'll pay is what's minimally required to hold your ad position and any ad formats shown with your ad, such as sitelinks.

How it works

We combine the components of Quality Score (expected clickthrough rate, ad relevance, and landing page experience), the max. CPC bid, and the expected impact of extensions and other ad formats to determine Ad Rank. Ad Rank is then used to determine where the ad appears and what types of extensions and other ad formats will show with the ad (or whether the ad or ad format will appear at all).

For ads on the Search Network, the minimum Ad Rank required for ads above search results is generally greater than the minimum Ad Rank required for ads beside search results. As a result, the actual CPC when you appear above search results could be higher than the actual CPC if you appear beside search results, even if no other advertisers are immediately below you. Although you may pay more per click, top ads usually have higher clickthrough rates and may allow you to show certain ad extensions and other features available only in top ad positions. As always, you're never charged more than your max. CPC bid.

Learn more about **actual cost-per-click»**

2.1 Ad Formats

2.1.1 Text Ad

A text ad includes a link to your website and a description or promotion of your product or service.

- Text ads include a title that's also a clickable link to your web page, one or two lines of text, and your website address shown in green
- These ads can appear on Google search results pages and across the Google Network
- Text ads often appear with language that labels them as advertisements so that viewers understand that the links are paid promotions

Learn more about **text ads»**

2.1.2 What makes up a text ad

Text ads, the simplest version of the online ads AdWords offers, have three parts:

1. Headline
2. Display URL
3. Description

Learn more about **what makes up a text ad»**

2.1.3 Tips for creating successful text ads

Successful text ads are specific, relevant, attractive and empowering. They should::

- Highlight what makes you unique
- Include prices, promotions and exclusives
- Empower customers to take action
- Include at least one of your keywords
- Match your ad to your landing page
- Appeal to customers on mobile
- Experiment

Get more tips for **creating successful text ads»**

2.1.4 About Shopping Campaigns and Product Listing Ads

If you're a retailer, you can use Shopping campaigns to promote your online and local inventory, boost traffic to your website or local shop and find better qualified leads. With Shopping campaigns, we create ads on Google and around the web where potential customers can see what you're selling. We call these placements Product Listing Ads, because they're more than a text ad – they show users a photo of your product, plus a title, price, shop name and more.

Benefits of Product Listing Ads

- More traffic
- Better qualified lead
- Easy retail-centric campaign management
- Broader presence
- Powerful reporting and competitive data

How Shopping campaigns and Product Listing Ads work
Product Listing Ads use your existing Merchant Center product feed - not keywords - to decide how and where to show your ads.

Learn more about **Merchant Center product feeds»**

You manage your Product Listing Ads in AdWords using **Shopping campaigns**, a simple and flexible way to organize and promote your Google Merchant Center product inventory within AdWords.

Where your Ads appear

Here's where you might see your Product Listing Ads across the web:
- Google Shopping (in select countries)
- Google Search, next to search results and separate from text ads
- Google Search Partner websites (if your campaign is set to include search partners)

Your Product Listing Ads can appear at the same time as text ads, because we want to give shoppers access to the full variety of products that match their search. This means that shoppers can find the best match before clicking through to make a purchase, which might help you close the sale.

Cost

We charge for clicks on your Product Listings Ads on a cost-per-click (CPC) basis. So we only charge for clicks that lead directly to a merchant's website. This includes clicks on Local Product Listing Ads that link to merchant websites hosted by Google. You're not charged for clicks on Product Listing Ads that lead to pages within the Google Shopping website.

Learn more about **shopping campaigns and Product Listing Ads»**

2.1.5 Using Dynamic Search Ads

Unlike most text ads, which are targeted to queries directly by keywords, Dynamic Search Ads appear based on the content of your website. This means you don't have to maintain lists of keywords or landing pages.

When Dynamic Search Ads may not be ideal for your business

Dynamic Search Ads may not be the best campaign type for websites with rapidly changing content, as content updates won't be detected immediately.

Why use Dynamic Search Ads

Here are some of the benefits of using Dynamic Search Ads:
- Save time
- Frequent, automatic updates to your ads
- Show relevant, dynamically generated headlines with your ads
- Control your campaign
- Capture additional traffic

How Dynamic Search Ads work

Instead of keywords, we use content from your website domain to target your ads to searches. To do this, we use Google's organic search index of your website to determine which searches might be relevant to the products and services offered on your website.

Choose which landing pages to scan

You can choose whether your entire website or just specific pages are used to target your ads. The default way to set up Dynamic Search Ads is to use category targets generated from your website.

More advanced options for dynamic search targets include:

- Pages with titles containing certain words
- Pages with URLs containing certain strings of text
- Pages containing certain words

We'll show your ad for relevant searches with dynamically generated text

When Google finds searches that are a match for your dynamic ad targets, it generates your ad's headline and landing page URL. This URL will link to the most appropriate page in your website.

Dynamic Search Ads and Ad Rank

Although Dynamic Search Ads change the way that ads are targeted for searches, they won't impact the way that ads are ranked, the performance of your keyword-based ads or the amount of control that you've over your account.

Learn more about using **Dynamic Search Ads»**

2.2 Ad Extensions

2.2.1 Enhance your ad with extensions

Ad extensions create more reasons to click on your ad

Ad extensions can help you achieve improved ad visibility and better return on investment (ROI). Ad extensions are an ad format that show extra information ("extending" from your text ads) about your business. Some can be added manually and others are automated. Ad extensions appear with ads on the Search Network, and depending on the extension, might also appear with ads on the Display Network.

Examples of AdWords ad extensions, a video»

How ad extensions work

AdWords shows one or more extensions with your ad when it calculates that the extension will improve your campaign performance, and when your Ad Rank is high enough for it to appear.

Automated extensions: AdWords creates and displays the automated extensions formats (seller ratings, consumer ratings, social extensions and previous visits) when it predicts that they'll improve your ad's performance.

What ad extensions cost

There's no cost to add extensions to your campaign, but you're charged as usual for clicks on your ad, as well as for certain interactions that extensions provide.

Learn more about **enhancing your ad with extensions»**

2.2.2 Show local business info with location extensions

What location extensions do

- Location extensions show your business address, phone number and a map marker with your ad text
- On mobile, they include a link with directions to your business
- Clicks on ads with location extensions cost a standard cost-per-click

How you benefit

- Location extensions encourage people to visit you in person
- You can add multiple addresses by linking your account to Google My Business
- On average, ads with location extensions see a 10% boost in clickthrough rate
- You can target your ads around your business addresses

Where and how your local business info can appear

Location extensions can show your business information in various formats on the Google Search Network, Google Search Network Partner Sites, Google Maps and on mobile devices.

How to set up location extensions

AdWords uses Google My Business to manage your business addresses.

- Google My Business is a free service that helps customers to find you online

- It makes all your business addresses available for any campaign or ad group on the Search, Display or Search with Display Select networks
- You use filters to control which addresses show up with your ads at the account, campaign and ad group level
- Adding or updating addresses in Google My Business automatically updates validated addresses used for ads
- Filtering options also let you choose whether a given campaign or ad group will show location extensions on all devices, desktop and tablet devices or mobile phones only

Fix a problem with location extensions

Location extensions aren't running? You may have set up filters incorrectly, or your addresses may not be syncing with Google My Business.

Learn more about **showing local business info with location extensions»**

2.2.3 About Google My Business

Using the Google My Business dashboard, you can:

- Maintain up-to-date business information on Google
- Build loyal customers using a Google+ page
- Track engagement with insights for Google+ pages and posts
- See information on your related Google Analytics account and YouTube channels
- Create and track the performance of AdWords Express campaigns.

Businesses with a physical location or that service geographic areas get additional benefits.

Once you've verified your business on Google My Business, you'll be able to:

- Help get your business found on Google
- Read and respond to reviews
- Get customer insights

Get started adding your business information to Google»
Learn more about **Google my business»**

2.2.4 Add phone numbers to your ads

What phone numbers can do

- Encourage calls to your business by displaying your phone number on your ad
- Show a clickable call button in your ad (on high-end mobile devices)
- Cost the same as a headline click (a standard cost-per-click CPC)
- For call-only campaigns, ads will only appear on devices capable of making calls.

How you benefit

- Adding phone numbers to your ads makes it easy for people to call you on the go
- You can share these numbers across ads within an ad group or entire campaign
- Clicks on call-only ads exclusively drive calls to your business
- You can set numbers to appear only when your business can take calls
- You can count calls as conversions. Find out more about call conversions
- Call extensions can typically increase clickthrough rates by 6-8%

Create a call-only campaign

Call-only campaigns allow you to focus on getting more people to click-to-call you straight from your ads. With these campaigns, you'll be able to use CPC bidding based on the value of a call to your business. You'll also be able to add your existing phone information to your new ads.

Important: Currently, call-only campaigns are available for ads targeting the Search Network.

How call-only ads work

Ads created in call-only campaigns are fine tuned to show only on mobile devices that are capable of making calls. Clicks on these ads will only generate calls – they won't link to a website.

Learn more about **adding phone numbers to your ads»**

2.2.5 Understanding your seller ratings

Seller ratings are an automated extension that let people know which advertisers are highly rated for quality service.

How seller ratings work

Seller ratings show a combination of information and reviews next to your AdWords ads. These reviews and ratings primarily reflect customers' overall consumer experience with these businesses, not their response to particular products.

We match these reviews to your ad by pairing the domain of the display URL to the advertiser's domain from the review source on Google. There's no cost to add seller ratings to your campaign, but you'll be charged as usual for clicks on your ad.

Learn more about **understanding your seller ratings»**

2.2.6 Display additional sitelinks below your ad text

The sitelinks ad extension shows links to specific pages on your website beneath the text of your ads (and in addition to the main landing page), helping customers to reach what they're looking for on your site with just one click. Sitelinks appear in ads at the top and bottom of Google search results.

Why use sitelinks

Here are a few reasons to consider adding sitelinks to your ads:

- Show shortcuts
- Minimize work
- Update easily
- Flexibility
- Detailed reporting
- Data retention
- Customized sitelinks for mobile
- Scheduling with start and end dates

How much sitelinks cost
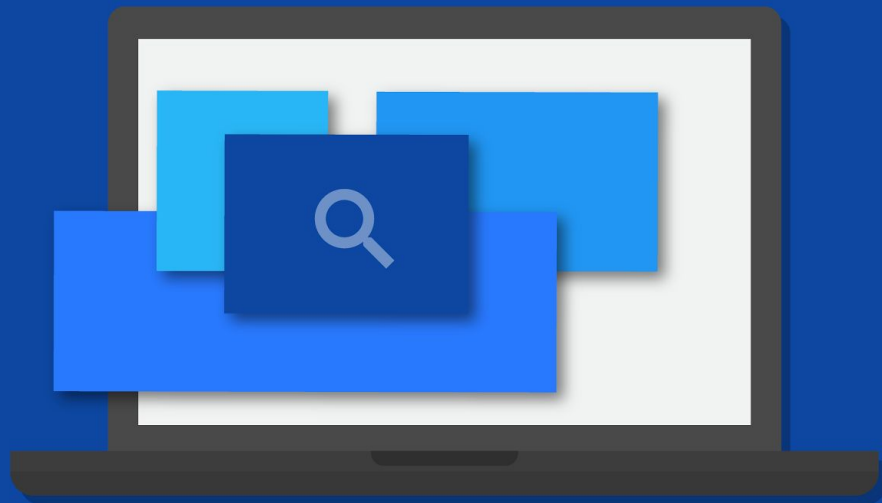
The cost of a click on a sitelink equals the cost of a click on the display URL in the same ad.

Performance and reports

You can use your sitelink performance data to see which sitelinks perform best and then optimize your sitelinks to help you reach your advertising goals.

Learn more about **displaying additional sitelinks below your ad text»**

Module 3 Ad & Site Quality

3.1 Check and understand Quality Score

The 1-10 Quality Score reported for each keyword in your account is an estimate of the quality of your ads and landing pages triggered by that keyword. Having a high Quality Score means that our systems think that your ad and landing page are relevant and useful to someone looking at your ad and can improve an ad's position. You can find out your Quality Score for any of your keywords.

Checking your Quality Score

You can check your Quality Score by looking within your Keywords tab. There are a couple of ways to check your Quality Score, including:

- Running a keyword diagnosis.
- Enabling the Qual. score column

Every time one of your ads competes in the auction, AdWords calculates real-time measurements of expected Clickthrough Rate (CTR), ad relevance and landing page experience that, together with your bid and other factors, produce a score called Ad Rank. It's this auction-time Ad Rank – not the Quality Score estimates you see in your account – that determines where your ad appears on the page or whether it appears at all.

How the components of Quality Score affect Ad Rank

Every time someone does a search that triggers an ad that competes in an auction, we calculate an Ad Rank. This calculation incorporates your bid, auction-time measurements of expected Clickthrough Rate (CTR), ad relevance, landing page experience and other factors. To determine the auction-time quality components, we look at a number of different factors. By improving the following factors you can help improve the quality components of your Ad Rank:

- Your ad's expected Clickthrough Rate (CTR)
- Your display URL's past Clickthrough Rate (CTR)
- The quality of your landing page
- Your ad/search relevance
- Geographic performance
- Your targeted devices

How ad quality affects you

The quality components of Ad Rank are used in several different ways and can affect the following things in your account:

- Ad auction eligibility
- Your actual cost-per-click (CPC)
- Your keyword's first page bid estimate
- Your keyword's top-of-page bid estimate
- Ad position
- Eligibility for ad extensions and other ad formats

How Quality Score works with new keywords

New keywords automatically get a Quality Score of 6 and a value of "average" for their expected CTR, ad relevance and landing page experience. A keyword's CTR is determined by the number of clicks divided by the number of impressions.

As Quality Score is based on a keyword's historical performance, it usually takes about a day for the Quality Score system to have enough performance data to begin setting a different Quality Score and value for expected CTR, ad relevance and landing page experience.

Bear in mind that the actual quality of your ad and its Ad Rank are calculated differently from the 1-10 Quality Score. That's because unlike Quality Score, ad quality and Ad Rank take into account auction-time factors, like a person's search terms, location and which one of your ads is being displayed.

Learn more about **how to check and understand Quality Score»**

3.2 Understanding landing page experience

Landing page experience refers to how good we think someone's experience will be when they get to your landing page. You can improve your landing page experience by:

- Providing relevant, useful and original content
- Promoting transparency and fostering trustworthiness
- Promoting easy navigation on your site
- Encouraging customers to spend time on your site

Your landing page experience affects not only your Quality Score, but also your Ad Rank and advertising costs.

Improving your landing page experience

Your ads may show less often (or not at all) if they point to websites that offer a poor user experience. Try reviewing the areas below to help you to think of ways to improve your landing page experience and get better performance out of your landing pages down the road.

1. **Content** - is it relevant, useful and original?
2. **Transparency and trustworthiness** - is it easy for visitors to find your contact information? Do you openly share information about your business and clearly state what your business does?
3. **Ease of navigation** - is it quick and easy for people to order the product mentioned in your ad?

The AdWords system visits and evaluates landing pages on a regular basis. If you've made significant changes to improve your landing page experience, it could lead to higher ad quality (and higher Ad Rank) over time within days or weeks.

Build a website that delivers results. **Watch this video»**

Your landing page loading time

If it takes too long for your website to load when someone clicks on your ad, then they're more likely to give up and leave your website.

Mobile visits to your landing page

The AdWords system will also visit your landing page to evaluate your site as viewed by iPhones and other mobile devices with full browsers.

Learn more about **understanding landing page experience»**

3.3 Create an effective mobile site

To reach the most mobile customers, it helps to create a mobile website that's tailored to the small screen, and makes it easy for people to make a purchase or take other action on your site.

When designing your site, keep in mind mobile best practices, like simple navigation and highlighting local options of your business. If you'd like to reach customers with WAP phones, you'll also need to use mobile-friendly code to create your site.

Reaching mobile customers using a HTML website

Regardless of whether you've a mobile website, AdWords will let you show text ads to customers using Google Search on a high-end mobile device, like an iPhone or Android phone.

Best practices for designing a mobile site

When creating a mobile website, you'll want to keep in mind a few strategies that take best advantage of the small size of mobile screens and the behavior of mobile users:

- Keep it quick
- Make it easy to buy something or contact you
- Simplify navigation
- Help people find and get to your local sites
- Use a mobile-optimized landing page when creating mobile-preferred ad creative

Learn more about **creating an effective mobile site»**

3.4 About invalid traffic

Invalid traffic refers to clicks and impressions on AdWords ads that we suspect aren't the result of genuine customer interest. We don't charge you for invalid clicks and impressions because we think that they've little or no value.

Types of invalid traffic

- Accidental clicks that provide no value, such as the second click of a double-click
- Manual clicks intended to increase someone's advertising costs
- Manual clicks intended to increase profits for website owners hosting your ads
- Clicks and impressions by automated tools, robots or other deceptive software
- Impressions intended to artificially lower an advertiser's clickthrough rate (CTR)

Find out more about **filtering invalid clicks with this video»**

How Google protects you from invalid traffic

Google looks at numerous data points for each click, including the IP address, the time of the click, any duplicate clicks and various other click patterns. Our system then analyzes these factors to try to isolate and filter out potentially invalid clicks before they ever show up in your account.

How Google handles invalid traffic

When our system detects invalid clicks on your ads, we automatically filter these out of your reports so that you're not charged for them. However, you still have the option to view invalid click data if you'd like to.

If Google's automatic filtering system does not successfully remove all potentially invalid clicks, the next stage of detection in an AdWords account is proactive offline analysis by the Google Ad Traffic Quality Team.

Viewing invalid click data

You can see the number of invalid clicks that your ads have received by adding the Invalid clicks and Invalid click rate columns when viewing your campaign statistics. Remember that you aren't charged for these clicks, so they don't affect your account statistics.

You can see credits for invalid clicks in your AdWords accounts on the Billing tab.

Low conversion rates

A low conversion rate doesn't always mean that you're getting invalid clicks. Here are some common causes of, and solutions to, low conversion rates:

- **Changes in market condition, user behavior, and web content** - your keywords and ad text may not be specific enough.
- **Sites that are difficult to navigate**
- **Your keywords and ad text** may not be specific enough
- **Your campaign may not be optimized for the Display Network**

Multiple clicks from the same IP address

Multiple clicks from the same IP address don't necessarily suggest invalid activity. There are several possible reasons why this happens:

- Return visits
- Shared IP addresses
- Web server logs
- Third-party software

Common reasons for increased traffic

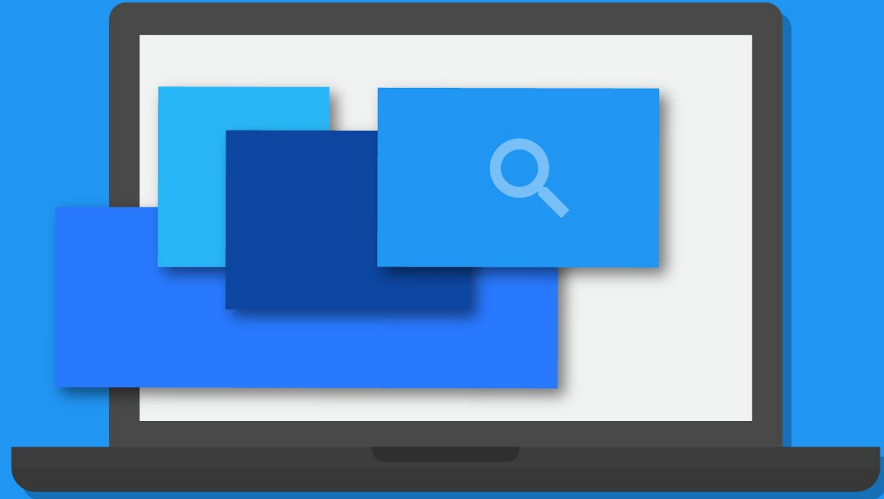A spike in clicks or impressions doesn't always mean your ads are affected by invalid traffic. In most cases, these spikes in traffic are caused by other things. For example:

- Changes in daily budget
- Changes in maximum cost-per-click (CPC) for keywords
- Adding new keywords
- Ads are showing on new Display Network sites
- Seasonal trends or news events

Learn more about **invalid traffic»**

4.1 Overview of AdWords tools

AdWords tools can be used for a variety of functions:

- **Account management tools** help you view, edit and update your account efficiently
- **Keyword tools** provide resources for choosing effective keywords
- **Placement refinement tools** enable you to optimize where your ad appears
- **Bid and budget management tools** help you make the most of your advertising budget, either by saving you time or providing insight into what you should bid for your advertising
- **Ad creation tools** enable you to create customized ads to promote your business
- **Troubleshooting tools** help you figure out how to solve issues that come up in your account

Using the right AdWords tools can help improve your ROI and save you time as you manage your account.

Learn more about **overview of AdWords tools»**

4.2 See your account history

Your AdWords account contains a history of changes that shows what you've done in the past. You can **filter** the changes to see only the ones that you're interested in. You could filter by date range, **campaign**, **ad group** or user, for example.

Here are the change categories tracked in your history:

- Ad
- Budget
- Bid
- Conversions
- Network
- Keyword
- Status
- Targeting

Filter your change history

To filter your change history, simply click on the Filter drop-down menu. You can select one of the predefined filters or create a custom filter. When a filter is applied, you'll see a yellow notification bar above the table.

Add change history columns to your statistics table

Adding columns to your statistics table is an easy way to keep track of the type and number of changes to your campaigns and ad groups.

Learn more about **how to see your account history»**

4.3 Keyword Tools

4.3.1 Add negative keywords to your campaign

Negative keywords can help you reach the most interested customers, reduce your costs and increase your return on investment (ROI). When you add terms as negative keywords (available for "Search Network only", "Search Network with Display Select" and "Search & Display Networks" campaigns) or as keyword exclusions (for "Display Network only" campaigns), your ad won't show to people searching for those terms or visiting sites that contain those terms.

With negative keywords, you can:

- Prevent your ad from showing to people searching for or visiting websites about things that you don't offer
- Show your ads to people who are more likely to click them
- Reduce costs by excluding keywords where you might be spending money but not getting a return

When you select negative keywords, you'll want to choose search terms that are similar to your keywords, but signal that people are looking for a different product.

Example

Let's say that you're an optician who sells glasses. You'd want to prevent your ad from being shown to someone searching for or visiting web pages that contain terms such as"wine glasses" and "drinking glasses", since that person isn't likely to buy a pair of your glasses.

Learn more about **adding negative campaigns to your campaign»**

4.4 Targeting Tools

4.4.1 Target ads to geographic locations

AdWords location targeting allows your ads to appear in the geographic locations that you choose: countries, areas within a country, a radius around a location or location groups. Location targeting helps you focus your advertising on the areas where you'll find the right customers.

Targeting the right locations for your business

Compare location target types: countries, areas within a country or radius

Location target - Country: Targeting your ads to a country or multiple countries may benefit a national business serving an entire country, an online retailer delivering worldwide and/or an international business selling to several countries.

Location target - Areas within a country: Using more precise targeting may benefit a business that serves a local neighbourhood, a business with special offers in selected locations, and/or a business selling products in selected regions or cities.

Location target - Radius around a location: Radius targeting (also known as proximity targeting or "Target a radius") may benefit a business that delivers within a selected radius, and/or a local business whose customer base is within a radius around the business.

Location groups

Location groups allow you to reach customers based on the types of places they visit, demographic information based on their location, or when they're at or near your places of business (based on your location extensions). You'll find the "Location groups" tab by going to your Settings tab, clicking Edit next to "Locations" and clicking Advanced search.

Targeting locations by demographics or places of interest

To ensure that your ads reach the most customers, whether targeting locations by demographics or places of interest, we recommend also targeting a broader, encompassing area. Then you can set location bid adjustments for locations by demographics or places of interest.

Advanced: Targeting multiple locations in bulk

AdWords allows you to add a bulk list of up to 1,000 location targets at a time, rather than adding each location one-by-one. We also offer tools for bulk editing.

Other bulk editing options

AdWords Editor: Our free, downloadable application for managing your AdWords advertising campaigns offline.

AdWords API: Our AdWords API allows developers to build applications that interact directly with the AdWords platform.

 Learn more about **how to target ads to geographic locations»**

4.4.2 How ads are matched to geographic locations

You can use your advanced location options to choose whether you'd like your ad to appear for someone's physical location, locations of interest or both.

Where your users are located (physical location)

When possible, we determine general physical location based on someone's computer or mobile device location. Here's how:

- IP address
- Device location
  - GPS
  - Wi-Fi
  - Google's mobile ID (mobile phone mast) location database

Locations that your users showed interest in (location of interest)

If the AdWords system detects geographic areas that someone is interested in, we may show appropriate ads targeted to that area or surrounding areas (known as location of interest), even if the person isn't physically located in the location.

Recent locations

We may estimate an approximate physical location or a location of interest and serve relevant ads based on a person's past searches or physical location, if they've enabled these features.

Advanced location options

The default advanced location option in AdWords will use both physical location or location of interest to determine where ads can appear.

Related cities

When you target a city, we may also show your ad to customers in nearby, closely related cities that normally couldn't be targeted because of low population, insufficient data about the geographic area or because city-level targeting isn't available.

Learn more about **how ads are matched to geographic locations»**

4.4.3 Excluding IP addresses

To avoid getting unwanted clicks that are costing you, you can take your ads off certain neighbourhoods of the Internet map, so to speak, by excluding computer or network IP addresses from the Settings tab.

Why exclude by IP address

You could exclude specific IP addresses in order to limit showing your ad on particular networks that you believe aren't likely to be used by potential customers. For instance, you could exclude the IP address of your own company's network.

Learn more about **excluding IP addresses»**

4.5 Bidding and Budgets Tools

4.5.1 Enhanced cost-per-click (ECPC)

Enhanced cost-per-click (ECPC) is a bidding feature that looks for ad auctions that are more likely to lead to sales for you, and then raises your max CPC bid to compete harder for those clicks.

ECPC for text ads is available on the Search Network and the Display Network, but it isn't available for the "Display Network only - Mobile Apps" campaign type. For Product Listing Ads, ECPC works only on Google Search.

How is ECPC different from Conversion Optimizer?

ECPC

- Works with all your campaign settings and max. CPC bids
- Can raise bids by up to 30%
- Works with third-party bidding systems

Conversion Optimizer

- Lets you set either a target CPA or max. CPA
- Has full freedom to set your CPC bid for each auction
- May not work with some API-based bid management solutions

Both ECPC and Conversion Optimizer

- Use conversion tracking or Google Analytics data from your account
- Predict a conversion rate for each auction
- Adjust your bids to help you win the most promising clicks

Using mobile bid adjustments with ECPC

You can set a mobile bid adjustment to adjust your mobile bids up or down relative to your other devices, and ECPC will incorporate this along with its own bid adjustments.

Learn more about **enhanced cost-per-click (ECPC)»**

4.5.2 About Conversion Optimizer

The goal of Conversion Optimizer is to get you the most conversions given your cost-per-acquisition (CPA) goals. Rather than focusing on clicks (CPC) or impressions (CPM), Conversion Optimizer focuses on maximizing conversions.

How Conversion Optimizer works

Using historical information about your campaign, Conversion Optimizer automatically finds the optimal equivalent CPC bid for your ad each time that it's eligible to appear. You still pay per click, but you no longer need to adjust your bids manually to reach your conversion goals.

About recommended target CPAs

Conversion Optimizer provides you with a recommended target CPA to help get you started. It's best to use this recommended target when you begin because it's calculated to help ensure a smooth transition to your new bid strategy. From this starting point, you can observe your performance and adjust your target CPA accordingly.

Requirements for Conversion Optimizer

- Your campaign uses AdWords Conversion Tracking or cross-account conversion tracking, or is importing data from Google Analytics.
- The campaign should usually have received at least 15 conversions in the last 30 days to enable the system to make accurate predictions about your future conversion rate.

Increase your campaign's conversions

Here are some ideas for increasing the number of conversions in your campaign:

- Increase your budget if you're willing to spend more and are hitting your budget
- Increase your CPC bids if you're willing to spend more and aren't on budget
- Move the conversion tracking code on your website if you want to keep costs the same
- The conversion tracking code should be on the confirmation page after a purchase
- Combine your campaign with another campaign for a related product with a similar conversion rate
- Opt in to the Google Display Network
- Add more relevant keywords to your ad groups, and use keyword matching options to help remove irrelevant searches
- Change your ads or landing page to try to increase your clickthrough rate (CTR) or conversion rate

Tips for Conversion Optimizer success

- Start with the recommended target CPA
- Raise your target CPA to increase traffic and conversions
- Use the Target CPA Simulator
- Use Conversion Optimizer with existing campaigns
- Don't make huge changes to a campaign while running Conversion Optimizer
- Compare your CPA and conversion rate before and after using Conversion Optimizer
- If you're consistently hitting your budget, increase it to allow more visibility for your ads

Changes in traffic or conversion rate

Changes in traffic

If you notice a drop in traffic after turning on Conversion Optimizer, then there could be a few things going on:

- Your target CPA might be too low
- Instead of conversions, you may be looking at clicks or impressions
- Conversion Tracking is disabled
- Your ad group is missing a target CPA

Changes in conversion rate

It's possible to see a drop in conversion rate when you start using Conversion Optimizer. This change may occur because you're observing an average of the conversion rate across all clicks.

Learn more about **Conversion Optimizer»**

4.5.3 Set up Conversion Optimizer

Conversion Optimizer uses your Conversion Tracking, cross-account Conversion Tracking or Google Analytics data to get you more conversions at a lower cost.

By optimizing your placement in each ad auction, Conversion Optimizer helps you to avoid unprofitable clicks and gets you as many profitable clicks as possible.

Conversion Optimizer also makes managing your AdWords bidding a lot easier, while maximizing results.

Getting started with Conversion Optimizer

Before setting up Conversion Optimizer, first make sure that you're already importing your conversion data into your AdWords account either by enabling Conversion Tracking or cross-account conversion tracking (AdWords manager account), or by importing your goals and transactions data from Google Analytics.

Your campaign should usually have received at least 15 conversions in the last 30 days, and have been receiving conversions at a similar rate for at least a few days. For best results, we recommend you run Conversion Tracking for at least two weeks before trying Conversion Optimizer - longer if you don't have a high volume of conversions.

Learn more about **how to set up Conversion Optimizer»**

4.5.4 Troubleshooting for Conversion Optimizer

You may encounter some of the following problems or limitations when using Conversion Optimizer:

- Can't enable Conversion Optimizer
- Actual cost per acquisition (CPA) exceeding maximum cost per acquisition
- High average cost per acquisition
- Traffic rate decreases after enabling Conversion Optimizer
- Conversion rate decreases after enabling Conversion Optimizer

The following AdWords features aren't compatible with the Conversion Optimizer:

- Separate Display Network bids (the Conversion Optimizer will automatically optimize your bids across the search and Display Networks)
- Advanced ad scheduling (basic ad scheduling is supported)

The Conversion Optimizer does work on the search and Display Networks and with third-party ads.

Learn more about **troubleshooting for Conversion Optimizer»**

4.5.5 Using automatic bidding

Automatic bidding allows you to put your bidding on autopilot with the goal of getting the most possible clicks within your budget. You can also set a cost-per-click (CPC) bid limit if you don't want to exceed a particular price for each click. At any time, you can switch to our manual bidding strategy, which allows you to choose your own bid amounts instead.

Set up automatic bidding

You can switch to automatic bidding at any time. But, automatic bidding doesn't work with the "Display Network only – Mobile apps" campaign. Also note that if you switch a campaign using bid adjustments based on day and time to automatic bidding, these day and time bid adjustments won't be applied to your bids.

CPC bid limits for your campaign

It isn't possible to set individual CPC bids with automatic bidding, but you can set a maximum CPC bid for your entire campaign. This maximum CPC bid, known as the CPC bid limit, allows you to control the maximum amount that you're willing to pay for each click.

If it's important for your business to control the cost of individual clicks on your ad, it's a good idea to specify a CPC bid limit so you've more control over the cost of each click. Keep in mind, though, that a CPC bid limit can restrict your ad position or the number of clicks your ads receive.

Learn more about **using automatic bidding»**

4.5.6 Cost-per-acquisition (CPA) bidding

Cost-per-acquisition (CPA) bidding is a bidding method that lets you tell AdWords the amount that you're willing to pay for a conversion. CPA bidding can help you reach customers who are likely to take action on your website. It's part of Conversion Optimizer.

How it works

You can use CPA bidding by setting up conversion tracking and turning on Conversion Optimizer for your campaign. When setting up Conversion Optimizer, you set a target CPA. This is the average amount that you'd like to pay for a conversion.

Determining your target CPA

We provide a recommended target CPA, which is calculated to help ensure a smooth transition to your new bid strategy. This is based on your historical performance, so it's best to start with the recommended target CPA, then observe your performance and adjust as necessary.

The final amount that you're charged

Your actual CPA may be above or below your target CPA. This is because:

- Your actual CPA depends on factors outside Google's control, such as changes to your website or ads, or increased competition in ad auctions
- Your actual conversion rate can be lower than the predicted conversion rate

How to edit your target CPA

Though you provide your first target CPA when you turn on Conversion Optimizer for your campaign, you can go back and change the target at any time afterwards.

Learn more about **cost-per-acquisition (CPA) bidding»**

4.5.7 Finding your first ads

After you've created your ads, it's important to make sure that they're actually appearing to customers. You can use the Ad Preview and Diagnosis tool, and check your account statistics, to figure out whether your ads are up and running.

More considerations when you're trying to find your ad

There are many things that determine when and where your ad appears. Here are some of the main ones:

- **Targeting:** Your ad will typically show only to people that you've targeted, generally meaning people who are searching for your keywords in the language and location you've selected.
- **Ad approval review:** While some ads may run on Google Search Network pages before being reviewed to see if they comply with our advertising policies, others may not run at all until they've been reviewed.
- **Ad position:** If your ad rank isn't high enough, your ad might not appear on the first page of Google search results. Your ad rank is determined by the quality of your ad (your Quality Score) and the maximum cost-per-click bid that you've set. Google doesn't show the same ads on each page, so your ad may appear on the second or third or subsequent page.

Learn more about **finding your first ads»**

4.6 About AdWords Editor

AdWords Editor is a free, downloadable application for managing your AdWords advertising campaigns.

The process is simple: Download one or more accounts, make changes offline, and then upload the changes to AdWords.

AdWords Editor can help you save time and make it easier to make changes in bulk. It also allows multiple users to share archives and proposals for an account.

What you can do with AdWords Editor

Any advertiser with any size account can use AdWords Editor, but it's especially useful for accounts with multiple campaigns and long lists of keywords or ads. For example, you can:

- Use bulk editing tools to make multiple changes quickly
- Export and import files to share proposals or make changes to an account
- View statistics for all campaigns or a subset of campaigns
- Manage, edit and view multiple accounts at the same time
- Search and replace text across ad groups or campaigns
- Copy or move items between ad groups and campaigns
- Undo and redo multiple changes while editing your campaigns
- Make changes in draft before uploading them to your account
- Keep working even when you're offline

Learn more about **AdWords editor»**

5.1 Introduction to AdWords Reporting

5.1.1 Introduction to AdWords Reports

Generate fully customizable reports on specific topics such as campaigns, keywords and ad text. These reports let users identify important trends over weeks, months or years. And because each report can be customized with configurable columns and performance filters, they provide just the information that you need to help you identify your strengths and areas of low performance.

Report types

You can download any data table on each of the tabs in your account to generate reports. Here are some of the most frequently used reports:

- Keyword performance
- Ad performance
- Landing page URL performance
- Ad group performance
- Campaign performance
- Account performance
- Geographic performance
- Search term performance
- Product Listing Ads performance
- Dynamic Search Ads performance
- Performance per label
- Time segmentation
- Auction insights

Learn more about **introduction to AdWords reports»**

5.1.2 Explore your data on the Campaigns tab

The Campaigns tab is your first stop for understanding the performance of your ads. You can track campaign statistics or view specific data for ad groups, ads or keywords. You can customize the way that your data is displayed.

Here's an overview of what you'll find on each subtab:

1. Campaigns
The Campaigns subtab is a great starting point for analyzing the performance of your campaigns. You can add columns to the table to display the data that's most useful to you. You might want to start with clicks, impressions and CTR to compare the success of each of your campaigns.

2. Ad Groups
Use the Ad groups subtab to see how your individual ad groups are performing.

3. Settings
Settings like budget, network and bidding options; language; location targeting; device targeting; campaign end date; and ad scheduling are all available here.

4. Ads
Compare ads, see which ones are most successful, and use that information to create even better ads.

5. Keywords
Here you can see keywords that you've selected for all of your campaigns, or just those for a single ad group. You can also get performance and quality information about them.

6. Ad extensions
Ad extensions help people easily find out more about your business and its offerings by providing additional information such as an address and phone number, more page links and product images.

7. Dimensions
The Dimensions subtab lets you slice and dice your data by the dimension of your choice across an ad group, a campaign or your entire account. You can use Dimensions to view statistics that cut across other AdWords tabs.

8. Display Network
Manage your display campaigns by adding or editing targeting methods like keywords, placements, topics, interests and remarketing lists, gender and age. See detailed information about how your ad groups perform, use data to optimize, manage bids and remove low performing targeting methods.

Learn more about **how to explore your data on the campaigns tab»**

5.1.3 Customize your Performance Data

By adjusting date ranges, columns, segments, filters and graphs, you can customize the performance data in your statistics table to see only what interests you, making campaign maintenance faster and easier.

To get started, think about your AdWords goals. Then decide which statistics are most important for measuring progress towards those goals. Using the information below, adjust your table to highlight the details that matter most. When your table looks exactly how you want it to, you can save it or download it as a report.

Add or remove columns that display statistics

You can choose which columns you'd like to see, rearrange them, and then save them in the order you prefer.

Store and name your columns
You can save and name your column sets for use when you return to the same tab later.

Use pre-defined column sets for your campaigns
To make analyzing performance for these campaigns simpler and faster, you can now use pre-defined column sets.

Apply segments to break down your data
Segments split your view of data into separate parts. There are many different segments that you can apply to your data, such as device, click type, network and date range.

Use filters to search your data
Use filters to search your table for specific information, such as keyword text, bids and clickthrough rates.

View or hide removed items
You can either include or hide removed campaigns, ad groups, ads, keywords and networks in your statistics tables.

Learn more about **how to customize your performance data»**

5.1.4 Use columns to find specific performance data

Columns in your statistics tables provide a variety of information about your account. You can rearrange your columns and save them in the order that you prefer so that the data that's most important to you is available at a glance.

Learn more about **using columns to find specific performance data»**

5.1.5 Create, save and schedule reports

You can use columns, segments and filters to customize statistics tables and find specific performance data. You can then download these customized statistics tables as reports and save them. You can also set reports to run at specific intervals and schedule them to be emailed to you or others with access to your account.

Learn more about **creating, saving and scheduling reports»**

5.1.6 Find, edit or remove reports

When you create and download reports, you can save them and see them in a list. From this list, you can run the same reports whenever you want, or use them to create similar ones.

You can also make changes to your report settings directly from the list. You can change the name, format, email recipients, or frequency. If you no longer want the data, you can also remove the report entirely.

Learn more about **how to find, edit or remove reports»**

5.2 Interpreting AdWords Reports

5.2.1 Evaluate ad performance on the Search network

If you're new to tracking your performance, start by clicking on the Campaigns tab in your AdWords account. The statistics tables on your Ads and Keywords tabs under the Campaigns tab provide a complete, customizable view of all of your data. You can keep the reporting simple or dig deeper for more detailed insights into the success of your campaigns.

Clicks, impressions and clickthrough rate

To help you get comfortable tracking data for your ads running on the Search Network, we suggest monitoring the clicks, impressions and especially the clickthrough rate (CTR) of your ads and keywords.

You may also want to keep an eye on the following information about your ads and keywords:

Ad performance

- Status
- Average position
- Ad variations

Keyword performance

- Keyword status
- Quality score
- Search terms

Track statistics based on your campaign goals

Depending on what you want to achieve, certain statistics will be relevant and helpful to you, while others may not be as useful. Choose a goal from the list below to see more suggestions on what to track:

- Return on investment
- Brand awareness
- Traffic to your website
- Sales and conversions

Track statistics for mobile ads on high-end devices

This allows you to compare statistics such as clicks, impressions, CTRs or conversion rates for desktop computers and high-end mobile devices.

Learn more about **evaluating ad performance on the Search network»**

5.2.2 Attribution reports and conversion data

Once you've set up conversion tracking, you'll have access to a handy set of reports about your conversions (those important actions that your customers take on your website, such as a purchase or email signup).

Attribution reports can give you detailed information about the paths that lead people to conversions for your business. You can see whether certain keywords assisted conversions that eventually happened through other keywords. This gives you a better sense of your potential customers' conversion paths than just looking at the last-clicked keyword.

Reports and data

Besides the Overview and Top Conversions report you'll see in the Attribution section, you'll also find several more detailed types of reports including:

- Reports on customer search patterns
- Reports based on different attribution models
- Reports on click-assisted and impression-assisted conversions
- Reports on first and last clicks
- Reports on timing

Path Length

This report gives you a high-level look at the steps that your customers take or pages that they look at on their way to completing a conversion.

Time Lag

This report has to do with how much time it takes for a customer to complete a conversion after:

- The first impression of a display ad
- Their first click on your website
- Their last click on your website

Conversion terminology cheat sheet

- **Ad clicks per conversion:** The total number of ad clicks on conversion paths divided by the number of conversions
- **Ad impressions per conversion:** The total number of ad impressions on conversion paths divided by the number of conversions
- **Assisted conversions:** The number of conversions that were assisted by a particular campaign, ad group or keyword. Assisted conversions don't include last click conversions

- **Attribution:** Assigning value to the different interactions on a customer's conversion path
- **Last clicks:** Any search ad click that happened just before a conversion
- **Last click conversions:** The number of conversions that had a particular campaign, ad group or keyword as the immediately preceding search
  ad click
- **Path length (impressions):** The total number of search ad impressions that preceded a conversion. These could have been clicked or not clicked
- **Path length (clicks):** The total number of search ad clicks, including the "last click", that preceded a conversion.
- **Time lag (from first impression):** The total amount of time from when the viewer first sees one of your search ads (clicked or not clicked) until the conversion
- **Time lag (from first click):** The total amount of time from when the user first clicks on one of your search ads until conversion
- **Time lag (from last click):** The total amount of time from when the "last click" happened, until conversion. There can be significant lag from last click, as AdWords will count a conversion happening after the last click within your conversion window
- **Top paths (clicks):** Describes the sequence of search ad clicks leading up to conversion. Can be at the keyword, ad group and campaign level
- **Top paths (impressions):** Describes the sequence of search ad impressions leading up to conversion. Can be at the keyword, ad group and campaign level
- **Top paths (clicks, transition only):** Collapses consecutive "repeat clicks" on a conversion path
- **Top paths (impressions, transition only):** Collapses consecutive "repeat impressions" on a conversion path

View-through conversion data

A view-through conversion happens when a customer sees an image or rich media ad, then later completes a conversion on your site. View-through conversions are a helpful way to track the value of your display ad campaigns because they measure the conversions where a customer saw – but didn't click – a display ad on the Google Display Network before completing a conversion. In turn, this can help determine the best places to advertise.

Low conversion data

Sometimes, conversion numbers are lower than you might expect on your reports. This can happen for a few reasons. Here are the most common ones:

- Conversions are counted within your chosen conversion window
- Customer disabled cookie
- Customer didn't get to your site through Google

Learn more about **attribution reports and conversion data»**

5.2.3 Measure keyword performance on the Search Network

You should review your keywords' performance to see which ones are helping you meet your advertising goals for your campaigns that target the Google Search Network. To do so, you can view and download your keyword performance from a specific time period, or customize your AdWords statistics table to track how your keywords are performing by match type. You can also run a keyword diagnosis to review your keyword Quality Score.

Learn more about **how to measure keyword performance on the Search Network»**

5.2.4 Measuring reach and frequency

By analyzing reach and frequency data, you can estimate how many people saw your ads and how many times they saw them over a certain period of time.

As a basis for estimating reach, we start with cookies. Cookies enable us to estimate reach because they can be used to distinguish individual browsers.

See reach and frequency data

You can view reach and frequency data by adding the "Unique cookie" and "Avg. impr. freq. per cookie" columns to your statistics table.

How Google calculates reach and frequency

- **Adjusting for cookie deletion:** We want to make sure that each cookie that's counted represents a unique browser.
- **Avoiding double counting:** We can make sure that each browser we count is unique by only counting mature cookies.
- **Correct the data:** To avoid double counting, all new cookies are discarded, but some new cookies are legitimate. To estimate reach more accurately, we have to estimate how many new cookies were actually legitimate.

Learn more about **measuring reach and frequency»**

5.2.5 Measuring geographic performance

You may find that your business flourishes in particular parts of the world. Performance data in your AdWords account can help you identify those geographic areas, so that you can decide where to focus more of your advertising efforts and budget.

Geographic and user locations reports

If you've already applied your location targeting settings and your campaigns have been running for a while, you can track performance by location in the Settings tab, under Locations.

You can view data from two different types of location reports:

- **What triggered your ad (geographic):** Shows your customers' physical locations, or locations that they had shown interest in through searches or content that they had viewed.
- **Where your users were (user locations):** Shows only your customers' physical locations, regardless of any locations they may have shown interest in.

Distance reports

If you've already added location extensions, you can view performance data for your ads with location extensions. Your data will be organized by the distance that a customer was from your business when they saw your ad.

Geographic performance columns and values

When you view geographic data in your statistics table, you may also see the following columns and details:

Most specific location: The Most specific location column shows the most detailed information that we have about the location that was used to show your ads.

Unspecified areas: There are a number of reasons why an area where your ad showed might be unspecified:

- **Country-specific domains**: If someone performs a search on a country-specific domain (such as google.fr, google.co.uk) but their IP address shows that they're located in a different country, then we'll record their location based on the country-specific domain, but we won't be able to identify the city or region.
- **IP address or search query:** We can't determine the location from the IP address, and the search query didn't indicate interest in a recognised location.
- **Multiple cities/regions in Google Maps:** The search was performed on Google Maps within a large geographic area that included several cities
  or regions.

Variation in geographic reporting numbers: The geographic data in your AdWords statistics table may vary somewhat from other data in your account or sources such as third-party tracking or web logs.

Learn more about **measuring geographic performance»**

5.2.6 Measuring and comparing performance by periods of time

You can view AdWords performance over time in the following ways:

- Compare performance across two time periods
- Segment your data by time periods
- Use the Time view in the Dimensions tab

Compare performance across two time periods

Use the "compare data" option in the data range drop down menu to see how your campaigns did last week compared with the week before or how data for the current month stacks up against this month last year.

Segment your data by time

Segments can provide a more granular view of your data. For example, say that you used the date range box and selected "Last week" in order to look at overall performance for the last week. But then you decided that you wanted to see that week broken out by day. For this, you would use segments.

Use the "Time" view in the Dimensions tab

The Dimensions tab lets you slice and dice your data by period of time across an ad group, a campaign or your entire account. For example, you might want to track an ad group's performance on an hourly basis to see how well it's performing at different times throughout the day. Then you can use these insights to schedule your ads for the hours when they're most likely to receive the greatest number of impressions and clicks.

Learn more about **measuring and comparing performance by periods of time»**

5.3 Additional Performance Insights

5.3.1 Using Auction insights to compare performance

The Auction insights report lets you compare your performance with other advertisers who are participating in the same auctions that you are. This information can help you to make strategic decisions about bidding and budgeting choices by showing you where you're succeeding and where you may be missing opportunities for improved performance. The Auction insights report is available for both Search and Shopping campaigns.

AdWords essential

The ad auction: how Google decides which ads to show and their order

Auction insights statistics

The Auction insights reports are different for Search and Shopping campaigns. The Auction insights report for Search campaigns provides six different statistics:

1. Impression share
2. Average position
3. Overlap rate
4. Position above rate
5. Top of page rate and
6. Outranking share

The Auction insights report for Shopping campaigns provides three different statistics:

1. Impression share
2. Overlap rate and
3. Outranking share

With Auction insights report for Shopping campaigns, you can generate a report for one or more ad groups or campaigns and segment results by time and device.

Descriptions of the Auction insights statistics

Average position (Search campaigns only)
Average position is a quick way to gauge how highly your ads are ranking compared with those of other advertisers competing in the same auctions.

Impression share
Impression share is the number of impressions that you've received divided by the estimated number of impressions that you were eligible to receive. Exact Match Impression Share metrics calculate impression share as if all keywords were set to exact match.

Overlap rate
Overlap rate is how often another participant's ad received an impression when your ad also received an impression.

Position above rate (Search campaigns only)
Position above rate is how often the other participant's ad was shown in a higher position than yours was, when both of your ads were shown at the same time.

Top of page rate (Search campaigns only)
Top of page rate tells you how often your ad was shown at the top of the page, above the unpaid search results.

Outranking share
Outranking share is a percentage defined as the number of times that your ad ranked higher in the auction than another participant's ad, plus the number of times that your ad showed when theirs did not, divided by the total number of ad auctions that you participated in.

Create an Auction insights filter
The Auction insights filter allows you to see at a glance which of your keywords, ad groups or campaigns have Auction insights reports available to view.

Learn more about **using Auction insights to compare performance»**

5.3.2 Using the Home tab to track your performance

As you might know, the AdWords Home tab is where you will find much of your account information. You can customize some of the modules on this page to monitor your performance more effectively. These customizations allow you to:

- **Choose or remove your modules** to see as many or as few as you'd like
- **Customize preset modules** to view what is most interesting to you
- **Create a customized module** that shows you specific information each time you sign in

Learn more about **using the home tab to track your performance»**

5.3.3 Using labels in AdWords

With labels, you can organize the elements in your account into meaningful groups so that you can quickly and easily filter and report on the data that is of most interest to you. You can apply labels to keywords, campaigns, ad groups and ads, which enables you to see how the custom categories that you create are performing relative to each other and to the unlabelled entities in your account.

Learn more about **using labels in AdWords»**

5.3.4 Use segments to view performance data

Use segments to split your data into rows based on the options that matter most to you, such as periods of time, click type or device. This makes it easier to view the data by isolating exactly what you want to see.

Available segments

Some segments can be found on almost every tab in your AdWords account, while others are only available on particular tabs. In some cases, you may need to download a report to apply a particular segment to your data.

Learn more about **using segments to view performance data»**

5.3.5 Understanding the Search terms report

- Use the Search terms report to see how your ads performed when triggered by actual searches within the Search Network
- Identify new search terms with high potential, and add them to your keyword list
- Look for search terms that aren't as relevant to your business, and add them as negative keywords. This can help you avoid spending money showing your ad to people who aren't interested in it

Manage your keywords based on search terms data

Use your search terms data to make changes to your keywords that can have a positive impact on your performance.

Here are some ideas:

- Add high-performing search terms to your ad group as keywords
- If a search term isn't relevant enough to the products or services you offer, add it as a negative keyword instead
- Select the correct match type (e.g. broad, phrase, exact or negative) for existing keywords

Learn more about **understanding the Search terms reports»**

5.3.6 Measure ad extensions performance

Visit your AdWords account to see how many clicks and impressions your ad extension has received, its related costs and other statistics. This data can help you to decide which types of ad extensions work best for your ad, and when it's time to add or remove an existing ad extension.

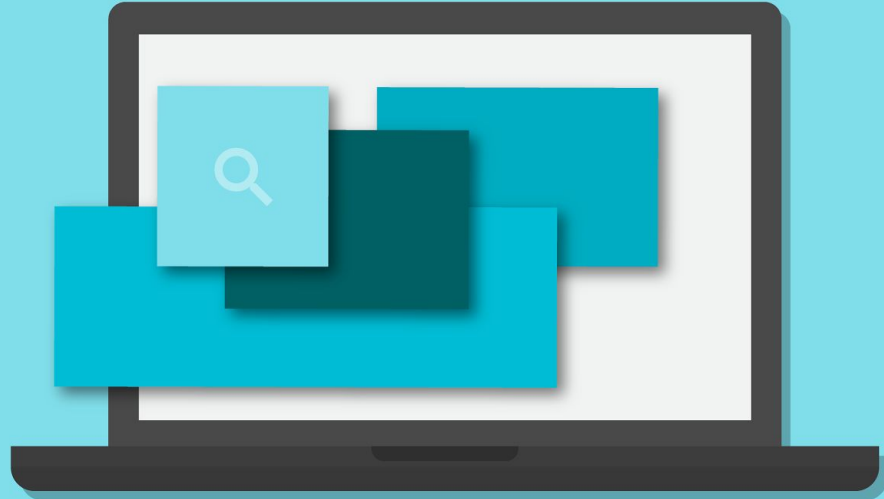**Available ad extension statistics**

Ad extension statistics are available for ads that appear on Google Search, Google's search partners for mobile (including Google Maps for mobile) and, in some cases, the Google Display Network.

The automated extensions report

You can use the automated extensions report to see more specific data for ads with automated extensions, like the number of clicks or impressions that occurred when they appeared with your ad.

Learn more about **measuring ad extensions performance»**

Module 6 Optimizing Performance

6.1 The Opportunities tab

The Opportunities tab looks at your account's performance history, your campaign settings and Google search volume and trends, and automatically generates opportunities that could improve your performance.

What the Opportunities tab helps you do

If you've an account history to work with, the tab can help you:

- See performance estimates based on historical data
- Make improvements without spending a lot of time
- Keep your campaigns fresh

Learn more about **the opportunities tab»**

6.2 Campaign Experiments

6.2.1 About Campaign Experiments

AdWords Campaign Experiments allow you to test changes to your account on a portion of the auctions that your ads participate in. With Campaign Experiments you can test changes to your keywords, bids, ad groups and placements.

How Campaign Experiments work

When you create an experiment, you decide what sort of change you want to test. For example, you could test adding new keywords, raising a bid, trying new ads or using different placements. Then you decide what percentage of your auctions should have this experimental change.

Costs of Campaign Experiments

While Campaign Experiments don't cost anything to enable, experiments are treated as changes to your account and will be billed like any other campaign.

Campaign Experiments and Quality Score

Campaign Experiments influence your Quality Score for any keywords involved in your experiments. Running an experiment might negatively impact your Quality Score in the short term because you might test ads or bids that perform worse than your current ads or bids. However, in the long term, running an experiment and finding high quality ads or a better bid should raise your quality score, making up for this short-term drop in performance.

Common goals and elements of Campaign Experiments

While your experiment goal will depend on your business, some common goals for advertisers include:

- Increasing conversions
- Increasing clicks or impressions
- Improving return on investment
- Improving campaign quality
- Improving ad text

Learn more **about campaign experiments»**

6.2.2 Set up experiments

You can run one experiment per campaign at a time, testing the performance of different keywords, ads and ad groups. Your experiment can include existing keywords, ads and ad groups, new keywords or all. When you set up your experiment, you can choose how long you want it to run and what percentage of searches will see your experimental changes.

Choosing your experimental changes

You can make up to 1,000 experimental changes to your campaign's keywords and bids. You can also define entire ad groups to be a part of an experiment and set an experiment bid for the ad group.

Tracking your experiment traffic

If you've Google Analytics or use other traffic tracking, you can add a ValueTrack tag to your keyword's or ad's tracking template or destination URL to see whether a click is coming from the experiment or control split.

Learn more about **setting up experiments»**

6.2.3 Monitoring your experiments

Once your experiment is running, you can begin viewing data for your experiment within your campaign and compare it to your control data. You'll find arrow icons in your account performance data that'll help you figure out how certain you can be that the change in data is due to the changes that you've made. You can also download your data or set up your account so that people you choose can receive regular emails with the experiment report.

Learn more about **monitoring your experiments»**

6.3 Using custom ad scheduling

You may want your ad to show whenever a customer searches online. Or perhaps you only want to show your ad on certain days, or during business hours when you're there to handle customer enquiries. For campaigns with "All features" enabled, you can use custom ad scheduling to:

- Specify certain hours and/or days of the week when you want your ads to show
- Set bid adjustments to increase or decrease your bids for specific days and times

Adjusting for time zone differences

The ad schedules you set are based on the time zone that you selected when you initially created your AdWords account. Therefore, it's important that you adjust your ad schedule to account for any difference in your target customers' time zone.

Set an ad schedule bid adjustment

You can set bid adjustments for specific days and times in the Ad schedule subtab in your campaign settings. If you also choose to set bid adjustments for mobile devices and locations, all of your adjustments will be multiplied together to determine the resulting bid adjustment. By setting bid adjustments, your spending on individual clicks may vary, but your overall daily budget won't change.

Learn more about **using custom ad scheduling»**

6.4 Using keyword insertion

Use keyword insertion to update your ads with the keywords that caused them to show.

How keyword insertion works

Let's say that you're advertising a chocolate shop. You could use a keyword insertion code in your ad headline:

Headline: Buy {KeyWord:Chocolate}

AdWords will try to replace this code with one of your keywords in your ad group ("dark chocolate", "sugar-free chocolate", "gourmet chocolate truffles"), but when it can't, it'll use the word "Chocolate".

Note that the person's search term isn't always the same as the keyword.

Set up keyword insertion

You can add the keyword insertion code within the headline, description lines or URL fields. There are 2 ways that you can insert a keyword:

1. The guided method
2. The manual method

Learn more about **using keyword insertion»**

6.5 Get ideas to improve your account

Opportunities related to keywords

Keyword opportunities can help you reach potential customers better by showing your ads to people who are most likely to be interested in what you offer. You might see the following opportunities related to keywords.

- Add new keywords
- Add negative keywords
- Use phrase or broad match types

Opportunities related to bids and budgets

Bid and budget opportunities can help you get more traffic (like clicks or impressions), improve your Ad Rank or improve your performance. You might see the following opportunities related to bids and budgets.

- Use estimated top of page bids
- Use estimated first page bids
- Lower bids for campaigns limited by budget
- Raise bids to show your ads more often than advertisers like you
- Set location bid adjustments
- Raise your budget

Opportunities related to ad extensions

Ad extension opportunities can help you improve your ad performance or reach your advertising goals, like getting phone calls directly from your ad. You might see the following opportunities related to ad extensions.

- Add sitelink extensions
- Add call extensions

Opportunities related to account structure

The account structure opportunity can help you improve your account's performance. You might see the opportunity to create new ad groups from existing keywords.
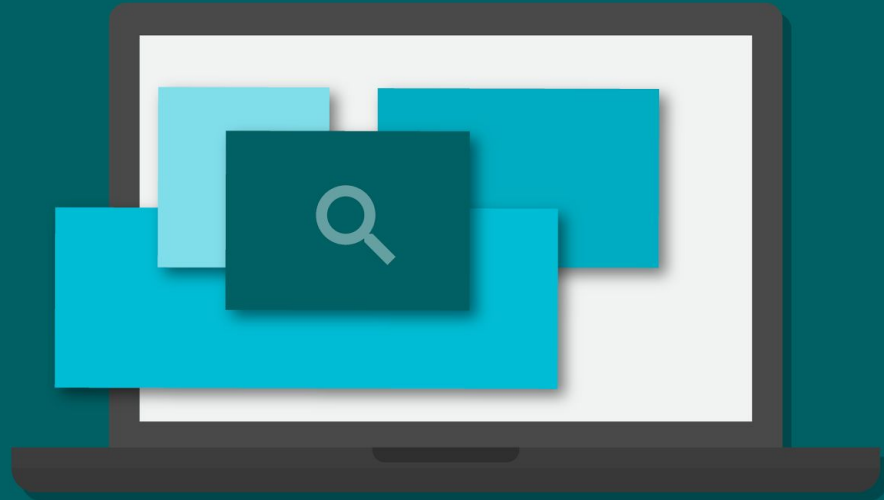
- Create new ad groups from existing keywords

Opportunities related to settings

These opportunities can help you show your best ads and get more clicks or conversions by optimizing your ad rotation settings.

- Optimize your ad rotation to show your best ads and get more clicks
- Optimize your ad rotation to show your best ads and get more conversions
- Show your ads on Google search partners to get more clicks at a lower cost

Learn more about **getting ideas to improve your account»**

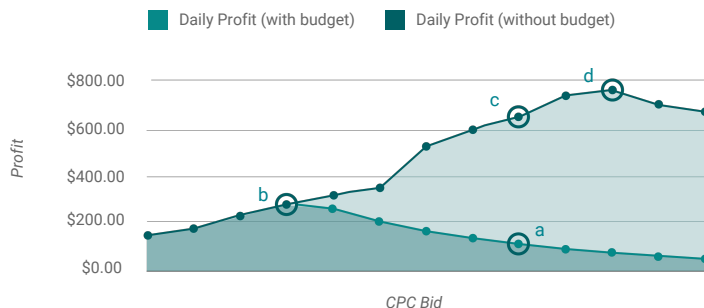**Module 7** Performance, Profitability and Growth

7.1 Budget Growth

7.1.1 Understand budget impact on profit

The graph below illustrates the impact of budget limitations on a profitable campaign, and why it often makes sense to optimize budgets before cost-per-click (CPC) bids.

- Point (a): A sample starting point; profit is missed due to limited budget
- Point (b): Profit possible by optimizing CPC bids within a limited budget
- Point (c): Profit achieved by optimizing budgets first
- Point (d): Maximum profit achieved by optimizing CPC bids after budget

Here's how to interpret the graph:

- The vertical y-axis represents profit after advertising expenses
- The horizontal x-axis represents lower CPC bids on the left and higher CPC bids on the right
- Actual profit curves vary by keyword, ad text, landing page and your profit-per-conversion

So, in order to fully maximize profit, optimize your budget first (in other words, reach point c), then test different CPC bids to optimize profit (point d).

Learn more on **understanding budget impact on profit»**

7.1.2 Scaling budget by performance

With this combination of measurability and control, many businesses may opt for a flexible marketing budget that scales upward with good performance.

We recommend setting your AdWords daily budget at a level low enough to limit your spending if something unexpected happens, like a sudden shift in traffic quality of one of your keywords due to a news event.

A campaign that scales by performance can work for many advertising goals, including:

- Selling goods or services directly via an e-commerce site
- Generating leads for a sales team
- Driving sign-ups for a monthly subscription service

Learn more about **scaling budget by performance»**

7.1.3 Growing a profitable campaign

To achieve success with AdWords, it's important to understand when a campaign is profitable and how to help it grow. ROI-driven campaigns generally follow three stages of growth:

Stage 1: Testing
Stage 2: Growth
Stage 3: Maturity

Learn more about **growing a profitable campaign»**

7.1.4 Growth in practice

You can often grow profit more rapidly by identifying smaller parts of a campaign that are profitable and giving them a separate budget before you're able to confirm the success of the entire campaign.

By creating another campaign for the profitable ad groups, you can set a separate AdWords campaign budget and start to focus on growth. With two campaigns, you can keep the original budget and limit the risk from the ad groups where profitability is still unclear, while steadily growing parts of the campaign that you know are working.

Over time, you can continue to move profitable ad groups from the original campaign into the growth campaign until you've completed profitability testing.

7.1.5 Improve performance when daily budget is depleted

When your AdWords daily budget is depleted, it's often a sign that you can improve performance. Your business objectives will determine the best approach to take.

Campaigns that focus on profit

- If your campaign is unprofitable, your AdWords budget limits your losses. You can improve performance by optimizing your bids, keywords and ads until the campaign is profitable.
- If your campaign is already profitable, depleting your AdWords budget prevents you from getting additional profitable conversions. You can improve performance by gradually increasing your budget while making sure that your campaign remains profitable.

Campaigns that focus on exposure

- Some of your cost-per-click (CPC) bids may be too high. Testing lower CPC bids may increase clicks while allowing you to stay within your budget.
- If you prioritize improving your ad's position over getting more clicks, depleting your budget is normal.

How to budget strategically by business goal

If your business objectives include maximizing both profit and exposure, you can budget strategically by creating different campaigns for each goal.

Learn how to **improve performance when daily budget is depleted»**

7.2 Bidding for Performance

7.2.1 Learn the basics of performance-based bidding

When your campaign is focused on performance, it's important to understand how adjusting your bids impacts each performance metric.

Bidding to balance sales volume and profitability

Given that conversion rates don't vary much with ad position, the following trends are important to remember:

- Increasing bids generally results in more conversions at a higher average cost-per-acquisition (CPA).
- Decreasing bids generally results in fewer conversions at a lower average CPA.
- Increasing bids while limited by daily budget generally results in fewer conversions at a higher average CPA.

Learn more about the **basics of performance-based bidding»**

7.2.2 Selecting metrics to maximize profit

Here we'll discuss two metrics that are important to consider if you're interested in maximizing profit:

1. Value-per-Conversion

Value-per-conversion is the amount of expected profit or value you gain from each conversion. If you can estimate value-per-conversion for a given product or service, it's a useful benchmark to define the upper limit that you can invest in advertising per conversion before becoming unprofitable.

2. CPA Targets

CPA targets can be helpful for establishing or maintaining profitability, and are usually set below your value-per-conversion.

Common ROI targets that are unlikely to maximize profit

- Targets decided in advance of a campaign
- Targets based on traditional rules of thumb
- Targets based on other marketing channels

Learn more about **selecting metrics to maximize profits»**

7.3 Profitability and Lifetime Value

7.3.1 Achieving profitability

Knowing how to accurately assess whether a campaign is either making or losing money is key to success, and normally a prerequisite to growth. If you determine that your campaign isn't profitable, achieving profitability is often possible by comparing your cost-per-acquisition (CPA) with your expected profit-per-conversion and adjusting keywords or CPC bids to a profitable point.

Finding your CPA is easy with AdWords Conversion Tracking. You can easily find costs for specific actions such as purchases, signups, sales leads, subscriptions and a variety of other actions.

Learn more about **achieving profitability»**

7.3.2 How to estimate conversion value

When estimating value-per-conversion, it's often strategic to factor in things like repeat business, word of mouth and lifetime customer value. Factoring in these values can give you the flexibility to bid higher while confidently bidding below your value-per-click.

Let's look at a fictional business-to-business machinery company named Example Machines to see how this works. Rather than sell directly online, Example Machines uses AdWords to generate leads for its sales team. We'll factor that in too.

Short-term conversion value for Example Machines

- Average deal revenue: $3,000
- Profit margin: 45%
- Leads which convert to a deal: 20%
- Value-per-conversion (short-term): $270 ($3,000 * 45% * 20%)

Factoring in word of mouth

Example Machines has data showing that for each customer they usually gain 15% in additional business through word of mouth. Here's how we factor that in:

- Value-per-lead (short term): $270
- Gain from word of mouth: 15%
- Value-per-conversion (+ word of mouth): $310.50 ($270 * 115%)

Note: We multiply by 115% instead of 15%. This is because we are amplifying a gain as opposed to a loss.
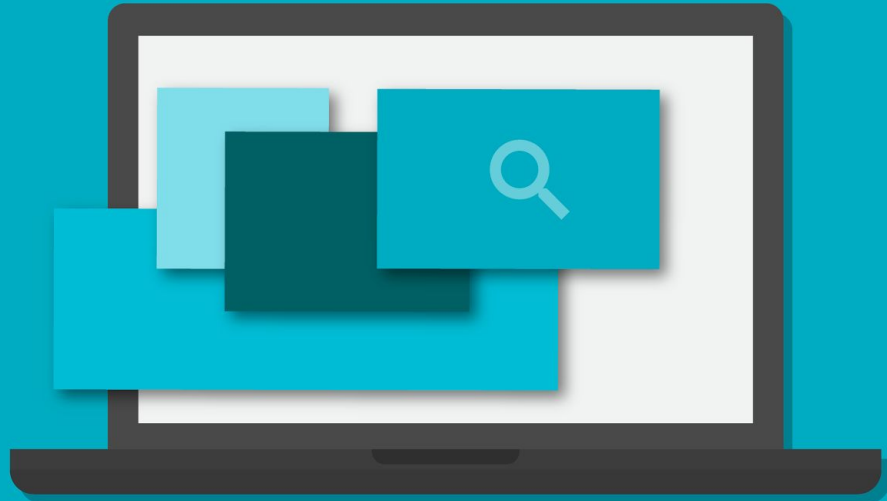
Factoring in lifetime customer value

Lastly, Example Machines knows that each new customer makes repeat purchases worth approximately $5,000 in revenue over their lifetime. It's easiest to factor this into initial deal value.

- Average deal revenue: $3,000
- Repeat business over lifetime: $5,000
- Profit margin: 45%
- Lifetime profit-per-customer: $3,600 ($3,000 + $5,000)*(45%)

Learn more about **how to estimate conversion value»**

Module 8 AdWords API

8.1 AdWords Application Programming Interface (API)

The Google AdWords Application Programming Interface (API) is designed for developers representing large, tech-savvy advertisers and third parties. This includes agencies, search engine marketers (SEMs) and other online marketing professionals who manage multiple client accounts or large campaigns.

The Google AdWords API lets developers build applications that interact directly with the Google AdWords server. With these applications, advertisers and third parties can manage their large or complex AdWords accounts and campaigns more efficiently and creatively.

Learn more about **Adwords Application Programming Interface (API)»**

8.2 Benefits and languages

AdWords API Benefits

With the AdWords API, you can employ programmes that help you interact with your AdWords account more efficiently. You have many development and integration opportunities - from simply pulling reports automatically to creating complex applications that integrate with existing databases and enterprise systems.

Learn more about **benefits and languages»**

Happy with what you've learned? Take the **Search Advertising exam»**