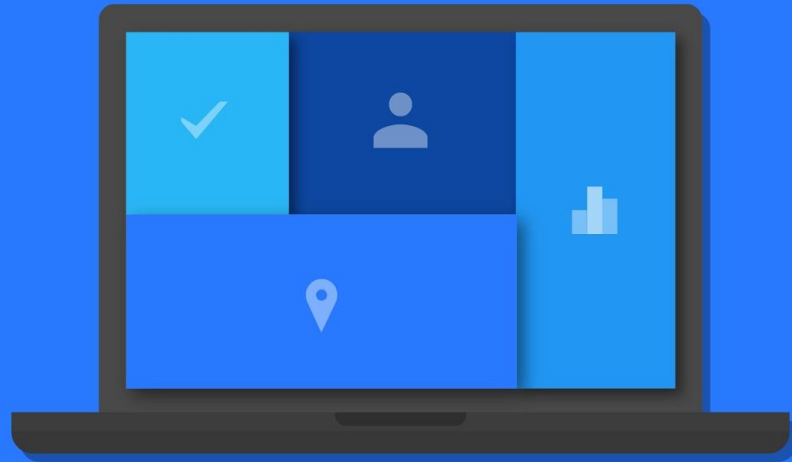# AdWords Fundamentals exam refresher guide

Welcome to the AdWords Fundamentals exam refresher guide - the perfect way to prepare for the AdWords Fundamentals exam. We'll cover everything from the basic and intermediate aspects of online advertising and AdWords, the benefits of online advertising, how to set up and manage an AdWords campaign, and how to measure and optimize your campaign's performance.

This handy resource is a shortened version of the full AdWords Fundamentals study guide, which is available in our Partners Help Center.

Remember that your AdWords Fundamentals exam will cover the value of online advertising, how to set up an AdWords campaign, measuring and optimizing performance and more. You can expect **100 questions** on the exam and a **120 minute** time limit. You'll need to get **80%** to pass. You'll need to pass both the AdWords Fundamentals exam and one of the other AdWords advertising exams to become AdWords certified.

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

1.1 Benefits of online advertising and AdWords

AdWords allow you to make the most of online advertising by showing your ads to the right people, in the right place, and at the right time. AdWords offers several benefits, but here are the key ones:

1. **Target your ads:** Targeting gives you the ability to show your ads to reach people with specific interests — namely, people who are interested in your products and services — and show them relevant ads. Make your AdWord campaigns even more targeted by using **keywords, ad location, age, location, language, days, times, frequency, and devices.**
2. **Control your costs:** With AdWords you'll only pay when someone clicks your ad.
3. **Measure your success**: With AdWords, if someone clicked your ad, you'll know. If they clicked your ad and then did something valuable to your business - purchased your product, downloaded your app, or phoned in an order - you can track that, too.
4. **Manage your campaigns:** If you manage multiple AdWords accounts, an AdWords manager account is a powerful tool that could save you time. You can also manage your AdWords account offline with AdWords Editor.

Learn more about **advertising on AdWords»**

1.2 Google's advertising networks

With AdWords, your ads can show on one or both of Google's advertising networks: the Google Search Network and the Display Network.

The Search Network includes Google Search, other Google sites such as Maps and Shopping, and hundreds of non-Google search partner websites (like AOL) that show AdWords ads matched to search results.

It can help advertisers show their text ads next to Google search results, and reach customers actively searching for their specific product or service.

The Display Network includes a collection of Google websites (like Google Finance, Gmail, Blogger, and YouTube), partner sites, and mobile sites and apps that show AdWords ads matched to the content on a given page.

It can help advertisers use appealing ad formats to reach a wide range of customers with broad interests. It can also build brand awareness, customer loyalty and engagement, and allows for specific choices on where their ads can appear, and to what type of audience.

Learn more about **Google's advertising networks»**

1.3 Where your ads can appear

To understand how AdWords works, you'll want to familiarize yourself with some of the key building blocks: where your ads can appear, the quality of your ads, and what you pay for them.

Showing your ads alongside search results

You'll use keywords — words or phrases that describe your product or service to target your ads. When someone searches for terms that are similar to your keywords, your ads can appear alongside or above search results on sites that are part of the Search Network.

Keywords also help determine how much you pay. Each of your keywords has a **maximum cost-per-click** bid amount (or "max. CPC").

Search ad formats

It's also important to think about text ads and ads with extensions, which are the different types of ads that can appear on Search Network sites.

- **Text ads** are made up of a headline, a display URL that shows the address of your website and a description.
- **Ad extensions** are visual enhancements to search ads that more prominently display information about your business, such as a phone number, location, or links to other pieces of relevant content from deeper within your sitemap.

Showing your ads on websites across the Internet

You can choose to show your ads to people as they browse the web, on the Display Network. Your ads can appear on specific websites or placements that you choose, or on websites based on the targeting methods that you choose, such as keywords, placement, audiences, and topics.

Check out this video for more info on the Display Network.

Display ad formats

Here's a list of ad formats you can use on the Display Network:

- Text ads
- Image ads
- Rich media ads
- Video ads

Showing your ads on mobile phones

Reach potential customers as they search or visit websites on the go — researching or completing purchases on their mobile phones, for example.

Learn more about the different **places your ads can appear»**

Showing your ads to specific audiences

If you have text ads, you can choose to show them to customers in an entire country, a certain geographic location, and even to customers who use names of locations in their searches. You can also target your campaigns to the languages that your potential customers speak.

Learn more about **where your ads can appear»**

1.4 The quality of your ads

Understanding Quality Score and Ad Rank

Higher quality ads can lead to lower prices and better ad positions.

The **Quality Score** reported in your account is an estimate of the quality of your ads and landing pages triggered by that keyword in auctions throughout the day. **Ad Rank** determines the order in which your ad shows up on the page (also known as ad position).

The components of Quality Score are expected clickthrough rate (CTR), ad relevance, and landing page experience. Each keyword gets a Quality Score on a scale from 1 to 10, where 1 is the lowest score and 10 is the highest.

The more relevant your ads and landing pages are to the user, the more likely it is that you'll have a higher Quality Score and benefit from having higher quality components of your Ad Rank, such as a higher ad position or lower cost-per-click (CPC).

Learn more about **the quality of your ads»**

1.5 What you pay

AdWords gives you control over your advertising costs, and there's no minimum amount that you have to spend. Instead, you set a daily budget and choose how you'll spend your money.

Choosing a bidding strategy

Choosing how you'll spend your money means choosing how you'd like to bid. Try choosing a bidding strategy based on your goals, such as whether you want to focus on getting clicks, impressions, or conversions. Bidding strategies include **cost-per-click (CPC), cost-per-thousand impressions (CPM) and cost-per-acquisition (CPA)**.

Setting a daily budget

Your daily budget is the amount you're willing to spend each day, on average, for each ad campaign in your account.

But even though your actual costs may vary, your daily budget limits the costs you can accrue over the average number of days in a month.

For more guidance on setting the right budgets and bids, check out this video.

How much you're charged

If you're using CPC or CPM bidding, you'll only be charged what's needed for your ad to appear higher than the advertiser immediately below you.

If you're using CPA bidding, the actual amount you'll be charged might exceed your specific bid. That's because this amount depends on factors outside of Google's control, such as changes to your website or ads, or increased competition in ad auctions. However, our system is designed to adjust over time, so the longer you use CPA bidding, the less likely it is that your actual CPA will exceed your specific bid.

Learn more about **what you pay»**

Module 2 Setting up an AdWords campaign
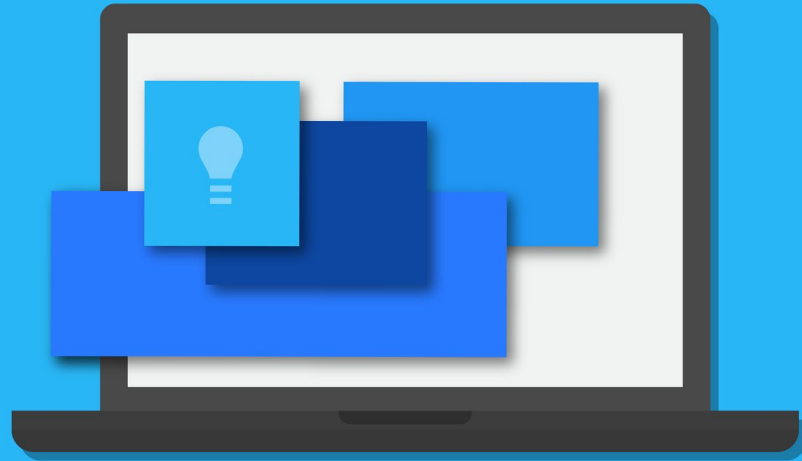
2.1 Choosing a campaign type

When you start setting up your AdWords campaign, you'll need to choose a campaign type and a campaign sub-type.

The most commonly used campaign types include:

Search Network only

Ads can appear throughout websites on the Google Search Network. Your AdWords keywords are linked to the words or phrases that someone uses to search on Google, then relevant text ads are shown on search results pages.

Display Network only

Ads can show throughout the Display Network. This campaign type works by matching your ads – including text, image, rich media, and video ads – to websites and other placements, such as YouTube and mobile apps, with content related to your targeting.

Search Network with Display Select

Allows you to show your ads – including text, image, rich media and video ads – with search results on the Google Search Network and relevant placements within the Display Network. With this option, your budget is shared across both networks.

Check out this video on **different types of campaigns»**

Campaign sub-types

When you create any of the above campaign types, you'll also need to choose a more specific campaign sub-type; the most common are the "Standard" or "All features" sub-types.

You might choose a specialized campaign sub-type so you can remarket your ads, or show them in mobile apps.

Remarketing

Show text, image, or video ads to people who have already visited your website when they browse other websites on the Display Network.

Ads in mobile apps

Reach the growing audience of people using mobile phones and tablets by showing your ads in apps. Your ads will be matched to apps through the Display Network.

Learn more about **choosing a campaign type»**

2.2 Structuring your campaign

AdWords is organized into three layers: account, campaigns and ad groups.

- **Account:** Your account is associated with a unique email address, password and billing information.
- **Campaigns:** Each campaign in your account has its own budget and settings that determine where your ads will appear.
- **Ad groups:** Each ad group within a campaign contains a set of similar ads and keywords that you want to trigger your ads to show.

Structuring your campaign

With AdWords, you'll organize your account into separate campaigns, with each campaign focusing on a single business goal. One effective approach is to organize your campaigns around specific themes or products. You control the following at the campaign level:

- How much you're willing to spend on clicks, impressions or conversions from your ads
- Networks and geographical locations where you want your ads to show

- Other top-level settings that affect your ad groups

Organizing your ad groups

Each campaign contains one or more ad groups. An ad group allows you to organize your campaign into sets of ads and keywords that directly relate to each other, which can improve your Quality Score and help to boost your return on investment. For Search Network campaigns, this helps you show ads that are relevant to the searches of people that you're trying to reach. For campaigns targeting the Display Network, you can create relevant ads to show to customers browsing websites about similar topics.

Learn more about **structuring your campaign»**

2.3 Targeting your audience

Showing your ads to the right customer is a key part of a successful advertising campaign that helps you reach your goals. Here are the different ways in which you can use AdWords to display your ads:

Keyword targeting

Use keyword match types such as broad match, broad match modifier, phrase match, exact match and negative match to control which searches trigger your ad. You can also add negative keywords for campaigns that show ads on the Search Network or keyword exclusions for campaigns that show ads on the Display Network.

Learn more about **keyword match types»**

Display Network targeting

In addition to keywords, you can use different targeting methods to match your ad to places or audiences on the Display Network. These include:

- **Contextual targeting:** Match relevant website content using keywords or topics
- **Audiences:** Reach specific groups of people using affinity audience, in-market audiences, remarketing and/or demographics
- **Managed placement targeting:** Select specific websites and apps

Location and language targeting

With location settings, you can target the geographic areas in which you'd like your ads to appear.

Language targeting helps ensure that your ads will appear on websites that are written in the language of the customers you'd like to reach.

Device targeting

You can also reach your customers while they're on the move by showing your ads when people are searching or visiting Display Network websites on their mobile phones with full browsers, such as iPhones and Android devices.

Learn more about **targeting your ads»**

2.4 Setting bids and budgets

Once you have decided which networks you want to display your ads on and who you want to show them to, you're ready to think about your budget. There are two things that you'll want to consider:

Your budget: Your daily budget is the amount that you set for each campaign to indicate how much, on average, you're willing to spend per day.

Your bidding strategy: Depending on which networks your campaign is targeting, and your advertising goals, you can determine which strategy is best for you.

To refresh your memory, here are the bid strategies that you can choose from:

- **Cost-per-click (CPC) bidding:** Use if you want to drive customers to your website.
- **Cost-per-impression (CPM) bidding:** Use if you want to make sure that customers see your message.
- **Cost-per-acquisition (CPA) bidding:** Use if you want to maximize conversions on your website.

Learn more about **setting bids and budgets»**

2.5 Creating ad groups

Each ad group contains a set of keywords, ads and bids that you manage. For your Display Network campaigns, your ad groups can include other targeting methods, such as demographics or remarketing lists.

Some of the main components of ad groups for campaigns that you'll run on the Search or Display Network include:

Keywords

Tips for creating your keyword list:

Choosing and organizing your keywords

- Think like a customer
- Align your keywords with your goals
- Group similar keywords into themes

Researching new keywords

- Use the Keyword Planner or Display Planner
- Review your search terms report

Optimizing your keywords

- Use keyword match types
- Include negative keywords

Ads

Depending on the type of campaign that you create, different types of ads formats and ad extensions will be available.

Keep in mind that all ads go through an approval process – we want ads to be useful, varied, relevant and safe for users when serving them across the Google Network. We review your active and paused ads, keywords and website according to our advertising policies.

Types of ad formats include:

Texts, Ad extensions, Image, WAP mobile, App promotion ads, Instream video, Product Listing Ads, Call-only ads.

Types of ad extensions include:

1. **Manual extensions:** App extensions, Call extensions, Location Extensions, Review extensions, Sitelinks extensions, Callout extensions
2. **Automated extensions:** Consumer ratings, Previous visits, Social extensions, Seller ratings

Best practices for creating effective ads

- Connect your ads and keywords
- Highlight what makes you unique
- Include a call-to-action
- Match your ad to your landing page
- Tailor your ads for mobile
- Use ad extensions
- Experiment

Learn more about **creating ad groups»**

2.6 Tools to plan a campaign

AdWords offers several tools to help you build your campaigns and achieve your advertising goals, including Keyword Planner and Display Planner.

You can use Keyword Planner to build your Search Network campaigns, getting keyword and ad groups ideas along with search traffic estimates. Or, you can use the Display Planner to plan your Display Network campaigns, getting targeting ideas along with impression estimates. Both tools allow you to add your plan to new campaigns or existing ones, or download your plan to share with clients and colleagues.

Learn more about tools to **plan a campaign»**

Module 3 Measuring and optimizing performance

Google Partners
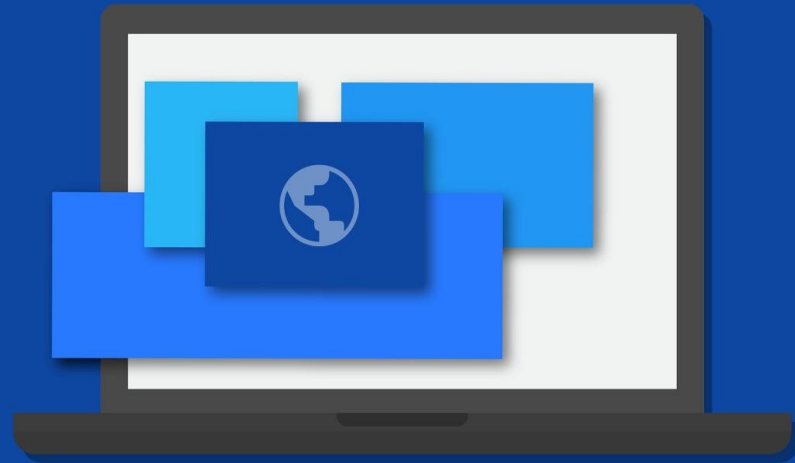
3.1 Measure your results

You can analyze basic account, campaign and ad group information using different data and reports available in AdWords. There are also advanced reports that go beyond the number of clicks or impressions that you're getting, allowing you to see the impact AdWords has on your business.

Check out this video on **understanding AdWords reports and statistics»**

Understanding AdWords reports and statistics

Customize your data

You'll want to think about your AdWords goals and decide which statistics are most important for measuring progress toward those goals. Then, you can customize the data in your statistics table to see how your campaigns, ad groups, ads and keywords are performing.

Dimensions tab

You can use the Dimensions tab to look at data across your entire account, an individual campaign or an ad group.

Search terms report

The Search terms report allows you to see the terms that people were searching for when your ad was shown. You can also see the performance metrics for those searches.

Top movers report

The top movers report lets you see which campaigns have the biggest changes (increases or decreases) in clicks, costs and conversions, and shows you some possible causes for those changes.

Paid & organic report

With the paid & organic report, you can see how often pages from your website are showing in Google search results, and which queries triggered those results to show on the search results page.

Auction insights

Use the Auction insights report to compare your performance with other advertisers who are participating in the same auctions that you are.

Learn more about **measuring your results»**

3.2 Tools to measure your performance

As you get your campaign up and running, you'll want to consider several different tools that can help you measure and optimize your ad performance. These tools include the following:

Conversion tracking

Conversion tracking is a free tool that can measure what happens after a customer clicks on your ads - for example, whether they purchased your product, signed up for your newsletter or filled in a contact form.

Google Analytics

Google Analytics is a free Google product that shows you how people found your site and how they explored it, giving you ideas for how to optimize your website.

You can also link Google Analytics and your AdWords account to get an entire view of your customers' behaviour.

Campaign experiments

AdWords Campaign Experiments allow you to test changes to your account - such as your keywords, bids, ad groups or placements - on a portion of the auctions that your ads participate in.

Learn more about tools to **measure your performance»**

3.3 Evaluate metrics relevant to your goals

To use AdWords more effectively, it's important to understand the business goals that you're trying to achieve and the data that's most relevant to those goals.

Measuring website traffic

If your main advertising goal is to drive traffic to your website, try focusing on increasing your clicks and clickthrough rate (CTR). You'll want to start by creating great ad text and choosing strong keywords so that your ads are relevant and compelling to your customers.

Measuring conversions

To measure your results, you'll need to make sure that you're measuring conversions.

Measuring return on investment

If you're using AdWords to increase conversions such as sales, leads or downloads, you'll want to measure your return on investment (ROI) - the ratio of your net profit to your costs.

Measuring return on ad spend

Measure your return on ad spend (ROAS) to see how much revenue you're generating for each dollar spent on your campaigns. Measuring your return on ad spend can give you insight into how your campaigns are performing and optimize them based on your revenue.

Measuring brand awareness

Your main goal may be to raise awareness and visibility of your product, service or cause. You'll need to decide whether you want to increase traffic to your website or to encourage customers to interact with your brand.

Learn more about **how to evaluate metrics relevant to your goals»**

3.4 Optimize your campaign

Improving your return on investment

Basic ways to improve your ROI

- Use a landing page that's most relevant to your ad
- Use highly relevant keywords and ad text
- Adjust your bids

Keyword tips

- Use negative keywords to eliminate unwanted clicks
- Remove duplicate keywords
- Optimize low-performing keywords
- Perform a keyword diagnosis
- Check your keywords' estimated first-page bids

Ad text tips

- Understand the buying cycle
- Enhance your ad with extensions

Bid and budget tips

- Experiment with bids and budgets to see what works
- Allocate your budget according to performance
- Adjust your keyword bids
- Use ad scheduling to automatically change your bids throughout the day

Increasing your brand awareness on the Display Network

With a brand engagement campaign, you want to build awareness of and positive associations with your company and its products and services. You can do this using:

- Targeting options
- Ad formats
- Bidding strategy

Learn more about **optimizing your campaign»**

Happy with what you've learned? Take the AdWords Fundamentals exam»