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Kalle Eroma

SEARCH WORD ADVERTISING AS A PART OF COMPANY'S MARKETING



TURUN AMMATTIKORKEAKOULU
TURKU UNIVERSITY OF APPLIED SCIENCES

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Matti Kuikka

Kalle Eroma

SEARCH WORD ADVERTISING AS A PART OF COMPANY'S DIGITAL MARKETING

Digital marketing is the fastest growing field of marketing across the globe. Companies of all sizes are gradually allocating more of their marketing budgets into digital media, as more traditional marketing medias, print, radio and television, are losing their importance and marketing impact. This is partly due to ever-changing consumer habits, especially how consumers nowadays consume media. Every day more and more people have the access to go online across the globe, and are spending more and more of their time on the Internet and various social media platforms. Therefore it makes sense for companies to divert more marketing funds into channels, which these consumers use the most on a daily basis, or at least include them in their marketing mix.

Search word advertising has been available as a marketing channel for some time, but it has received more interest from a marketing standpoint in the last 5 years. By far the most popular search engine is Google, which as a company also owns other prominent digital media outlets, such as YouTube, a streaming video platform. There are other search engines in addition to Google, such as Microsoft's Bing or Yahoo!, but in the recent year the popularity and market share of Google has dwarfed the competition. Therefore I will in this study concentrate on Google and the mechanical principles of its search engine advertising, as other search engines share many of the same qualities and principles.

First I will concentrate on digital media as a marketing channel, why advertisers are so interested in it and how important search engine advertising is in digital media. This will also include a study how consumers' habits of using the Internet have changed in the last five years. Then I will describe the possible choices of search engines, the reasons why Google is the most prominent and why it is the main focus of my study. I will also describe the basic mechanics of how search engine advertising works, what are the essentials a company or business needs to get started, and will also describe shortly how search engine optimization helps to get even better results from search engine advertising.

After describing search engine advertising, I will study how it can be a part of company's marketing mix. I will describe the positive benefits and the negative effects it may have on a company's marketing strategy. As a conclusion I will take a look if a company should incorporate search engine advertising as a permanent part of their marketing strategy.

KEYWORDS:

Marketing, search engine advertising, digital media, digital marketing, Google.

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Matti Kuikka

Kalle Eroma

HAKUSANAMAINONTA OSANA YRITYKSEN DIGITAALISTA MARKKINOINTIA

Digitaalinen markkinointi on tällä hetkellä maailman nopeimmin kasvava markkinointikanava. Kaikenkokoiset yritykset siirtävät vähitellen markkinointivarojaan pois muista markkinointikanavista kohti digitaalisia mainosmuotoja, näiden menettäessä suosiotaan ja merkitystään markkinoinnissa. Tämä johtuu osaksi alati muuttuvasta kuluttajakäyttäytymisestä, erityisesti siitä, miten kulutamme eri medioita. Kuluttajat käyttävät yhä enemmän sähköisiä medioita, kuten Internetiä sekä useita sosiaalisia medioita. Täten yrityksille on järkevää ohjata enemmän mainosvaroja kohti näitä kanavia, joita kuluttajat käyttävät yhä enemmän, tai ainakin sisällyttää ne markkinointistrategiaan.

Hakusanamarkkinointi on ollut käytettävissä markkinointiväylänä jo joitakin vuosia, mutta se on kerännyt varsinaista kiinnostusta mainostajien parissa viimeisen viiden vuoden aikana. Tämän hetken suosituin hakukone on Google, joka yhtenä suurimmista yhtiöistä omistaa myös muita mediakanavia, kuten YouTuben. Googlen lisäksi on muitakin hakukoneita, kuten Bing tai Yahoo!, mutta viime vuosien aikana Google on jättänyt ne varjoonsa. Täten tässä tutkimuksessa keskityn Googleen ja sen tarjoamiin hakusanamainonnan mahdollisuuksiin, joista useimmat pätevät myös muihin hakukoneisiin.

Ensin keskityn tutkimuksessani muuttuneisiin mediabudjetteihin, kiinnostukseen digitaalista mediaa kohtaan markkinointiväylänä sekä kuluttajien muuttunutta mediakäyttäytymistä. Tämän jälkeen tarkastelen Googlea yhtiönä sekä hakusanamainonnan palveluntarjoajana.

Tämän jälkeen siirryn tarkastelen hakusanamainonnan perusmekaniikkaa Googlen verkossa, miten hakusanamainokset toimivat, sekä tutkailen mahdollisia ongelmakohtia. Neljännessä osiossa tarkastelen miten yritys voi hyödyntää Googlen hakusanamarkkinointia Suomessa. Tämän jälkeen tarkastelen kannattaako yrityksen ottaa hakusanamarkkinointi osaksi digitaalista markkinointistrategiaansa.

Lopuksi käyn läpi tutkimusmetodeja sekä aineiston luotettavuutta ja laatua.

ASIASANAT:

Markkinointi, hakusanamarkkinointi, digitaalinen media, digitaalinen markkinointi, Google

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LIST OF ABBREVIATIONS (OR) SYMBOLS

(Write a list of symbols or abbreviations here. If you do not use a list of abbreviations or symbols, remove this page. Use the "Abbreviations or symbols" text style when you write the list.)

Abbreviation	Explanation of abbreviation (Source)
HTML	HyperText Markup Language (HTML) is the main markup language for creating web pages and other information that can be displayed in a web browser (Wikipedia).
SEO	Search Engine Optimization, restructuring web site architecture to improve positioning in organic search results (Google AdWords Fundamentals).
SEM	Search engine marketing (SEM) is a form of Internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages (Google AdWords Fundamentals).
FTC	Federal Trade Commission, a US agency for consumer protection (Wikipedia).
CPM	Cost per impression, the online advertising cost per view (Google AdWords Fundamentals).
CPC	Cost per click, the average price you pay each time someone clicks on your text ad (Google AdWords Fundamentals).
CPA	Cost per acquisition, the price it has cost you for a consumer to perform a pre-defined action on your web site (Google AdWords Fundamentals).

1 INTRODUCTION

1.1 Research question

In this research I shall examine how priorities and media expenditures have shifted between different advertising mediums in Finland. I shall also research the causes for this, which includes consumers' changing media consuming habits. Using these as a premise, I shall study if and how search word advertising could be a viable channel for marketing. Could search word advertising be used as a contemporary marketing channel for company, or a business, and how?

1.2 Background

For many years, companies have used various channels and media for marketing purposes. Printed media, such as magazines and newspapers have a long tradition as marketing medium, as do television and radio. The principle in using more than one media for marketing purposes is to reach as many potential readers, listeners, watchers or potential customers, as possible. Different target groups use different media in different ways, for example it an elderly lady could be reached with an advertisement in Sunday newspaper, while a young male student could be reached with an advertisement on radio or television. One media may not reach everyone, but with a right combination of different media it becomes more probable to reach as many of the desired target group as possible. In the last five years our media consuming habits have shifted and changed all around the globe, and especially in Finland.

1.3 Changing media consuming habits

We spend less time consuming traditional media on radio, TV or printed media. Digital media is taking increasingly more of our time, as many Finns spend hours online. According to Tilastokeskus ("Statistics Finland") the amount of

Finns who used Internet was 90%, and the amount of Finns who used Internet daily was 78% in the year 2012 (Tilastokeskus, 2013, 6). A closer look into our daily Internet usage shows, which in the last four years (2009-2012) there has been growth across all age groups, from 15 to 74 year old, ranging from 5% to almost 20% in growth. The smallest growth was in age group between 16 to 34 years old, as most of them already use Internet on a daily basis. The most significant growth was in age groups of 55 to 64, 65 to 74 years old. This proves that most of citizens spend more and more of their time online, consuming digital media. This also presents another possible media for advertisers, where it is possible to reach an immense amount of consumers, if the advertisements are planned and targeted accordingly.

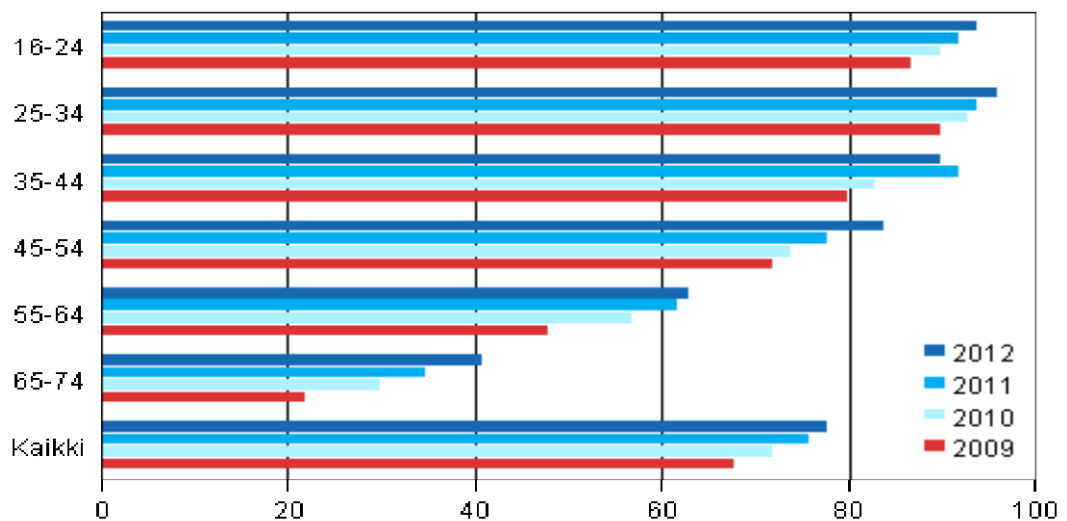


Figure 1. Daily Internet usage in Finland (%) across age groups (Tilastokeskus 2013)

As people are spending more of their time online, that time is taken away from spending time, or consuming other media. Slowly people, at least in Finland, are reading less traditional printed media, watching less TV and listening less to old-fashioned broadband radio. Advertisers have taken interest in these changing habits, and in the last few years, have started to shift more of their marketing budget into digital media. This becomes evident, when one takes a look of

TNS Gallup's report of the media advertising expenditure in Finland, for October 2013

	October 2013			Cumulative 2013		
	000 €	Change-%	Change-% excl. elections	000 €	Change-%	Change-% excl. elections
Magazines (162)	10.607	-7,8	-7,8	80.553	-12,9	-12,9
Newspapers (59)	31.730	-18,1	-10,7	296.620	-16,4	-15,3
Local and free issue papers (43)	5.804	-26,2	-9,9	50.698	-16,7	-14,4
Television (10)	29.540	-1,6	-0,6	227.615	-2,1	-1,7
Radio (36)	4.890	6,2	7,4	44.202	-4,7	-4,5
Outdoor (4)	4.022	-4,6	11,6	32.728	-6,6	-4,7
Cinema (1)	280	8,7	8,7	2.223	30,5	31,4
Internet (39)	12.057	5,6	6,7	98.560	5,1	5,4
TOTAL (354)	98.929	-8,9	-3,9	833.199	-9,2	-8,4

Table 1. Media expenditure in Finland across various media
(TNS Gallup, Oct. 2013)

The year 2013 was election year in Finland, which causes some skewed figures in media spend. Fortunately there are calculations and figures without election advertisements. According to TNS Gallup, all other media spend went down from last October's spend, except radio, cinema and Internet. When cumulative figures are taken into account, only cinema and Internet marketing expenditures have gone up since October 2012, by 31.4% and 5.4% respectively. Print media; magazines (12.9%), newspapers (15.3%), local and free issue papers (14.4%) have seen their marketing expenditures going down as well. Other media are also experiencing cutbacks in their marketing expenditures on television (1.7%), radio (4.5%) and outdoor media (4.7%) (TNS Gallup, October 2013, 7).

One can learn from these figures and statistics, that continuing spending advertising funds on more traditional channels, such as printed media, is a downward spiral. The future of advertising, at least in Finland, is in digital marketing and cinema advertisements. Of these options, cinema is more akin to TV-advertisements; the advertiser produces an advertisement clip of some length, which is then showed before or after movie trailers in selected movie theaters for a period of time. Usually the cinema operator sets the prices for these advertisement slots, depending on the length, the advertising period and the movie that it is shown before. A slot before a popular movie costs more, than before a movie, which is not expected to be as popular. Well performing movies mean more consumers seeing the advertisements, in other words; advertisement im-

pressions. Movie theaters can provide data on amount of impressions, as ticket sales equal the amount of people who have seen the advertisement. But the real problem with advertising in cinemas is similar to TV-advertising; even if a certain amount of people have seen the advert, it is hard to accurately measure, how many consumers the advertisement has activated? For example, if the company is promoting a web shop across various media (print media, TV and cinema), it is hard to measure how many customers each media directed into the web shop. These media offer a good coverage for raising brand awareness, but gathering reliable statistics and results across these different media is challenging and outdated compared to the majority of digital marketing channels, especially search word advertising and display, or banner advertising. With digital advertising almost everything in the consumer's online behavior can be tracked more accurately. For example, when a person sees a simple advertising banner of the same web shop on a different website and clicks on it, it can be accurately measured, archived and analyzed. Banners and text advertisements on search engines, such as Google, are very cost effective and offer a very reliable and viable option to more traditional advertising. Each time a consumer sees an advertisement (impression), clicks on it (click) and goes to a specific destination, buys something from the site (conversion), all of the data of this path, or "purchase funnel" is accurately recorded. The advertising costs in digital marketing, especially on search word advertising and display advertising, are noticeably lower than on television. "One can buy millions of impressions on Google or Facebook for remarkably cheap. Even a small company can create an online campaign, that reaches practically everyone in Finland" (Isokangas and Vassinen, 2010, 18). For example, even a short advertising campaign for a web shop on Finnish television can easily cost 10 000 to 15 000 € on a major network, and it would not even include the production costs of the advertisement itself, nor the time used, and even then it cannot be guaranteed how many actually see the advertisement.

Utilizing a Finnish TV-channel's, MTV3's, online "Spotti"-planning tool for television ads, one can estimate that an advertisement campaign with a 30-second TV-advertisement (see picture 1., point 1.) should have four separate showings

on the channel (2.), with 355 000 impressions for a target group between 25 and 54 year old (3.), for the approximate cost of 12 800 € (4.) (calculations made on 30.11.2013).

The image shows a screenshot of a TV-ad campaign configuration interface. It is divided into three main sections, each with a red callout box and a number:

- 1. Näkyvyysalue (Visibility Area):** Shows a map of Finland with a red overlay indicating the visibility area. A checkmark icon and the text "Valtakunnallinen" (National) are visible.
- 2. Ohjelmat (Programs):** Lists selected programs and their broadcast counts:

Ohjelmat	Esitys-kerrat
Kymmenen Uutiset	1
Kosketus	1
Huomenta Suomi 2	1
C.S.I. Miami	1
Huomenta Suomi 1	1

 A red button below the list says "+ Lisää ohjelma tai syötä budjetti" (Add program or enter budget).
- 3. Mainoksen kesto (Ad Duration):** Shows a duration selector with options 10 s, 15 s, 20 s, and 30 s. The 30 s option is selected and circled in green.

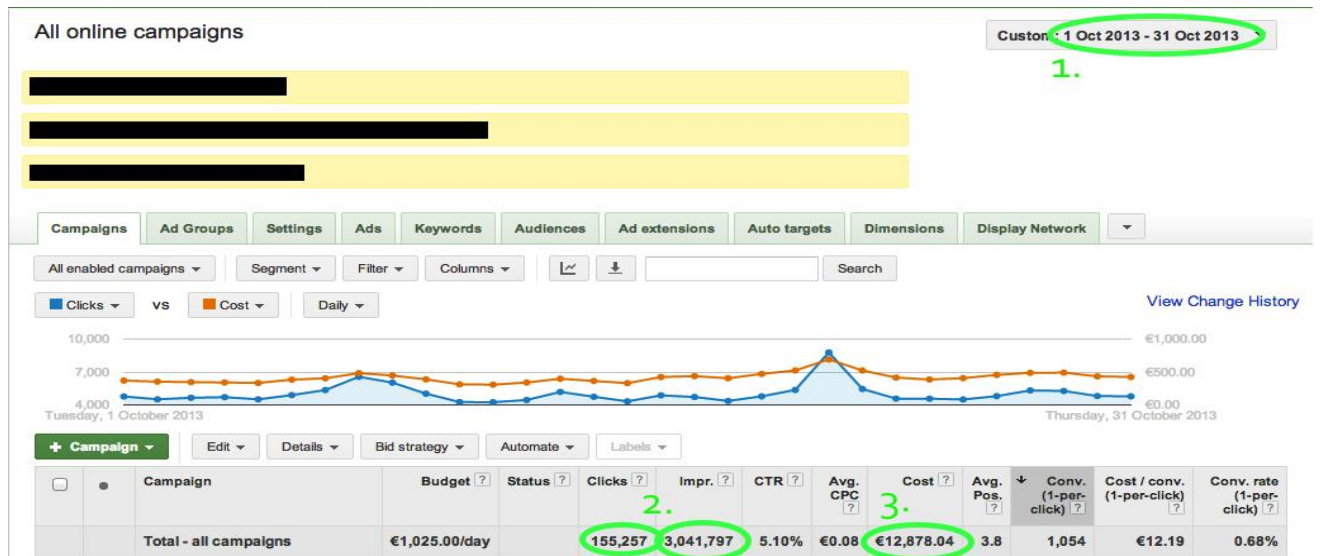
A summary section (Yhteenveto) is also visible, showing:

- Kokonaiskontaktit (25-54-vuotiaat): 355 000
- Bruttohinta (Alv. 0 %): 12 800 €

At the bottom, there are buttons for "Jatka" (Continue) and "Tallenna" (Save).

Picture 1. Estimates for a TV-ad campaign in Finland (mtv3.fi/spotti)

Juxtaposing these with the results of a month-long campaign of search word advertising for a web shop in Finland (see picture 2., point 1.) could produce more than 3 000 000 impressions and 155 000 clicks for the web shop (2.), with roughly the same budget (3.). This demonstrates the cost-efficiency and potential of digital marketing, in this case search word advertising, compared to more traditional marketing medium, in this case a television advertisement, and how the results can potentially be over ten-fold.



Picture 2. Screen capture on results of a search word ad campaign (Google AdWords, 2013)

1.4 Differences in media

One of the fundamental qualities of traditional marketing media is that advertisement spots are usually tied into tightly specified time and place. For example, an advertiser can buy space for an advertisement on a newspaper, or magazine for a certain day, or as shown above, buying time for TV-advertisement, “spots”, which are shown on the commercial breaks of a certain show. In both cases, the adverts are tied into a certain time period, be it either a Sunday newspaper, or a commercial break at 8:45 pm on a Friday night. If the consumer doesn’t read the newspaper on that day, or changes the channel during commercial break, he or she won’t see the advertisement. And with the growing popularity of digital TV-channels and recorded TV-shows, it is possible to skip over commercial breaks altogether, thus avoiding advertising on TV altogether, especially late night shows. Digital media campaigns do not pose these kinds of

problems and tight restrictions with time. The programmed code recognizes when a pre-defined criteria is met; typing of a certain search word, if the user belongs to a certain target group or any other pre-defined criteria, and only then does the advertisement get triggered and shown to the user, regardless of time of the day, or the date. This minimizes unnecessary impressions, and produces more reliable and concentrated advertising, when compared to radio, TV and printed media. Of course there are limitations, digital advertisement campaigns cannot run indefinitely, unless the funds are unlimited as well. As previously shown in the example above, with figures 3 and 4, a search engine campaign can run longer, produce better and more accurate results with the same budget, than a TV-advertisement campaign.

The contemporary consumers use not only one media, but “bounce back and forth at their own speed in a multi-channel marketplace” (Google Zero Moment Of Truth Handbook, 2012, 11). In many cases the buying and decision making process “looks less like a funnel, and more than a flight map” (ZMOT Handbook, 2012, 11). The consumers do not always think and act in a linear fashion, when a certain product raises their awareness, but instead cross-reference between sources of information. Usually the more complex the product, the more cross-referencing and information seeking the consumer will do. For example, if the consumer feels thirsty, sees an advertisement of a soda drink, they might go and buy it from a grocery store, without thinking too much. But the decision making process will most likely get more complex, when the consumer needs to buy a new TV, a new car or some other sophisticated, specialized or an expensive product. The more complex or expensive the product or purchase, the more information the consumer tries to find on it; product information, specifications, the manufacturer and one of the most important piece of information; reviews and recommendations. In 2012, Google and a global marketing insight consultancy, Shopper Sciences, studied the shopping journey of 3 000 individuals across different product categories. The study shows, that “for the first time ever, search exceeded family and friends as the most-used source of information” (ZMOT Handbook 2012, 12). If an increasing number of consumers are using search engines to find information and reviews on products, doesn't it

make sense to plan and execute marketing and advertising campaign within that medium? At least it couldn't hurt financially, and many companies and businesses in Finland, who have started with small digital media campaigns, usually include search engine advertising as the first element of their marketing strategy. And as the TNS Gallup's statistics (figure 2.) showed, many companies are shifting their marketing funds towards digital media, sometimes even quitting advertising on some other unproductive medium altogether. But what is search word advertising, how does it work, and what provider or platform should an advertiser, company or business choose? These questions will be explained in the next chapters.

2 RESEARCH METHODS AND LITERARY REVIEW

2.1 Research methods

In this study I have mainly relied on literature that has been already written, and statistics, which have been compiled by someone else. I did not devise a survey myself, as I found quite quickly found out, during collecting research material, that there were ample amounts of statistics, graphs and tables available. I compiled data from these various sources, combined them to my learned knowledge from school, and used both as a foundation to lay my own thoughts upon.

2.2 Literary review

Much of literature on search word advertising is available on the Internet, as digital advertising is an ever-evolving field, and new articles and researches are published almost daily. As there are a multitude of sources to find information from, credibility and reliability of sources comes in question. However, on a principal level, printed books can be as unreliable source of information, as an article found on the Internet. Cross-checking data was an advisable practice, as was finding books and articles with plenty of healthy recommendations. I tried to use official, reliable and credible sources and sites on the Internet, those that had many recommendations and a long and credible history. Some were the digital equivalent of an esteemed printed magazine (e.g. Forbes), while some were the actual creator of data (Google).

3 WHY GOOGLE?

3.1 Why choose Google?

Since the invention of search engines, which have provided Internet users a tool to search the millions of Internet pages, there has been several engines, but in the contemporary day and age, one stands taller than the others: Google. It has become an entity in the modern world and an Internet giant. Although it is the most used, with 65.2% of the global search volume in 2012 (Sullivan, Search Engine Land, 2013), it is by no means the only search engine. Other significant engines are, in order of search volume: Baidu (8.2%), Yahoo! (4.9%), Yandex (2.8%), and Bing (2.5%).

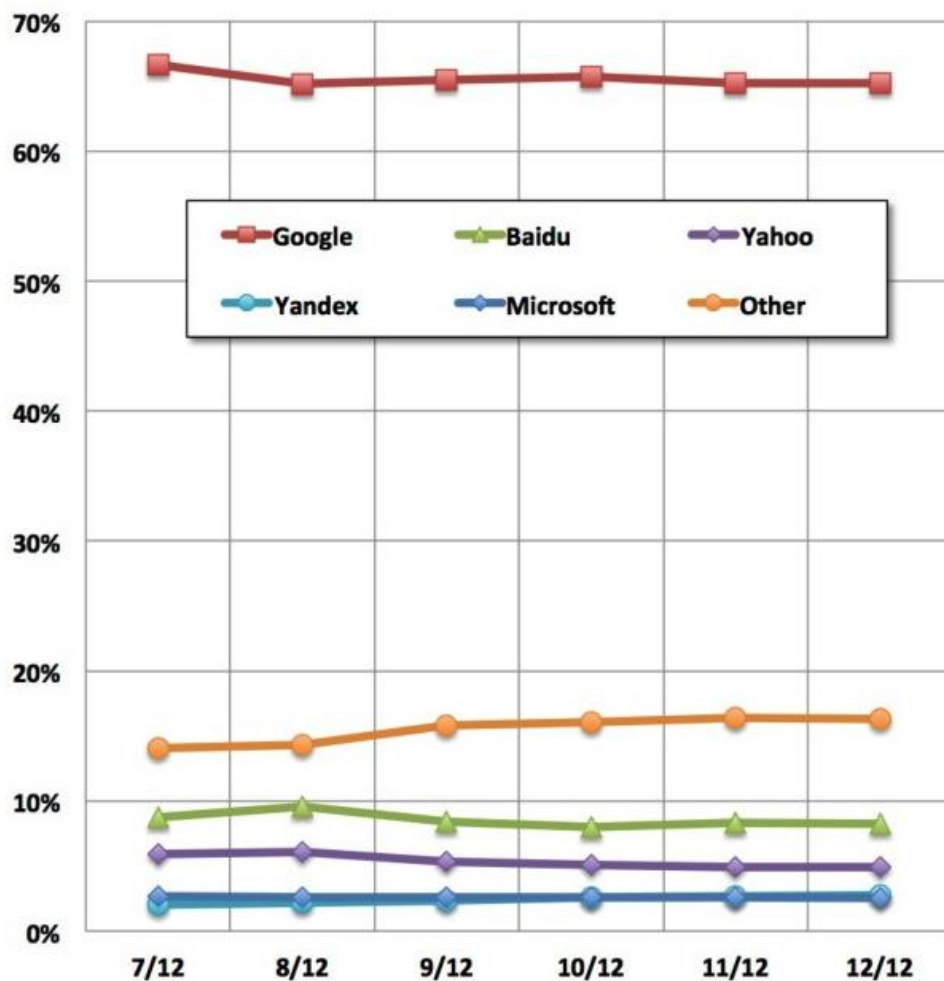


Figure 2. Global search volume in year 2012 (Search Engine Land)

Other search engines may have a greater search volume in certain regions, such as the Chinese Baidu and Russian Yandex, because people in those regions may want an engine that understands their searches better. Such is the case with Baidu and Yandex, as Chinese and Russian are both mainly written, and searched with their own alphabet. Despite the small differences in regions, Google is still globally the most favored and used search engine, as the statistics show. One sign of Google's importance to the contemporary global society was when on Saturday, Aug 17, 2013, Google's servers suffered an outage and shut down for five minutes. All access to Google and its products and services were shut down for five minutes, and this caused the global Internet usage to drop by 40% (Halleck, International Business Times, 2013). The fact that one company has such an influence over millions, or billions of Internet users, is a truly colossal feat in itself. But what is this company, the biggest search engine provider in the world, and how come it has such an influence over us common users?

3.2 History of Google

Two students from Stanford founded Google in Silicon Valley, California in 1998. By 2003 the company had "quickly become a ubiquitous presence – a mere five years after the company's founding, that the verb "google", was formally recognized by the American Dialect Society" (Stross, 2009, 1). As a search engine Google has taken the top position, not only by refining and developing its main product, the search algorithm, but also by buying and acquiring other companies. For example, Google bought the world's biggest streaming video site, YouTube, in 2006 with \$1.65 billion and the world's most dominating Web banner advertising company, DoubleClick, with \$3.1 billion in 2008 (Stross, 2009, 2). YouTube has currently over 1 billion visitors each month, 80% of it is coming in from outside USA and the service has been localized in 61 different countries and languages (YouTube Statistics, 2013). In November 2007,

Google released an open-source mobile phone operating system, Android (Schonfeld, TechCrunch, 2007), which currently is the most used smartphone operating system, as 81% of new phones shipped in the third quarter of 2013 run on Android (Bradley, Forbes, 2013). Google has also partnered with the Taiwanese mobile phone manufacturer, HTC, and the first Google-branded smartphone, Nexus One, was released to the global market in 2010 (Search Engine Land, 2010). These facts and figures show that Google has in the last ten years grown to be one of the most important and influential companies, especially in the field of information technology. But one of the most product or services that Google offers, and what started it all, are the search engine and the algorithm running it.

3.3 Google algorithm

The heart of Google is the algorithm, which powers the famous search engine. The basic principle of how a search engine works is that when a user types a search term, the engine references the terms to directory of web pages it has stored previously. The directory of information is gathered by utilizing *web crawlers*, Internet bots, to search relevant information of websites, travelling from link to link. The crawlers search keywords, HTML-links and generally try to figure out what is the function, content and category of the specific website. It then sends the information back to the search engine, which indexes and stores the information in its database. Every time a user searches a keyword, the engine refers to its vast database of stored Web pages (SeoMoz, Chapter 1, 2013). The structure of websites affects how easily web crawlers can penetrate and retrieve the data. Sites that have a lot of elements, which require time and processing power to load, are harder to search and access for the crawlers, and tend to receive a lower volume of search hits, unless they are specifically optimized.

Google's search algorithm, the heart of the system, is constantly tweaked and updated regularly. The coders and employees of Google have tried to create a search engine that doesn't only read the individual search terms or words, but can understand slight grammatical errors, such as misspellings, compound word errors and various other languages. It can also understand the semantics and the content within the search terms, and provide the right list of results (SeoMoz, 2013). For example, if a person types in "lottery" in Finland, then Google recognizes that the person wants to play the national lottery and show the homepage of Veikkaus, a national institution that runs the state lottery, on the top of search results, before the Wikipedia entry. In effect, the people in Google's workers are trying to teach the algorithm to understand language in the same as a human being. It could be regarded as some type of primitive version of artificial intelligence, but not the same kind that would create homicidal time-travelling cyborgs of science fiction. The context of searched words is probably one of the hardest to program, or "teach", to the algorithm, for example, a human child might easily understand the subtleties and context of which words are uttered as he or she lives in the environment daily and experiences the world every second of the day. But for a computer program, which the algorithm is, it is a much more complex task, as it doesn't share the same experiences and doesn't interact and experience our environment in the same way. Therefore it takes a massive amount of time and coding to program the subtleties of language, or the 61 languages Google is localized for, and how it searches the information we need. That is one of the reasons, why we might not find the exact thing we are looking for the first time we type something on Google's search field.

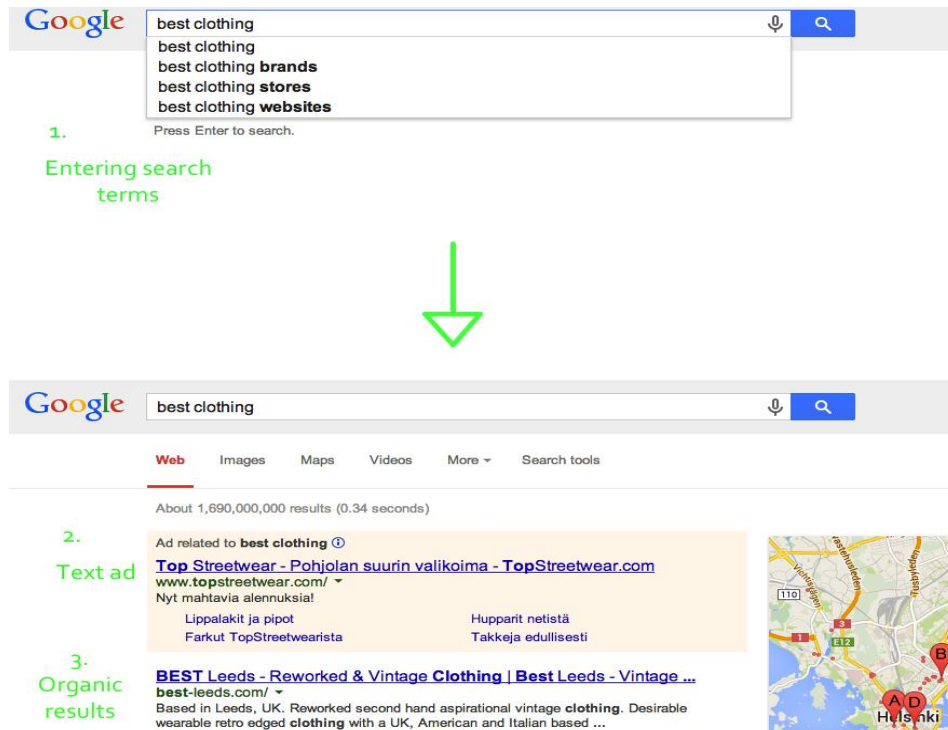
As it may take more than one search attempt for the user to find what they are looking for in the Internet, from its estimated 60 trillion pages (Google, 2013), is there some way for the advertiser to have a better visibility for their brand or products? One of the fundamentals of marketing is "marketing mix", which is a "set of controllable tactical marketing tools that the firm blends to produce the

response it wants in the target market.” (Armstrong, Kotler, Saunders and Wong, 2008, 49). The marketing mix is a set of tools that a company can use to influence the consumer with, to raise awareness and demand for a certain product, or a service, to make it more desirable for the consumer. These “many possibilities gather into four groups of variables known as the ‘four Ps’: product, price, place and promotion” (Armstrong, Kotler, Saunders and Wong, 2008, 49). Through search advertising on Google’s search network it is possible to utilize all those to get a desired response in the customer, and raise an awareness and demand for whatever the company wants do online. Even when the user is not consciously looking for a specific product or service, search word advertising provides a way for marketers to push their product and pull in the consumer towards them. In the next chapter I shall describe and discuss the basic and more advanced features of search word advertising in depth.

4 BASICS OF SEARCH WORD ADVERTISING

4.1 What is search word advertising?

Search word advertising, or search engine marketing (SEM) as it is sometimes called, is nothing new in digital marketing. The basic principle is to show text ads to the user using the search engine, and guide them towards the advertiser. There are four steps how the advertisement is triggered; 1) the user types a word or words what they are searching, 2) the search engine refers the terms or words against a keyword list that the advertiser provides, 3) when the keywords are found, the engine compares different aspects, such as bid on keywords and quality score of similar ads from other advertisers and ranks them in order, 4) after the order has been chosen, the search engine shows the ads on the search page. See picture below for reference of the process and results within Google.



Picture 3. Screen capture of text ad triggering on Google (2013)

For reference, organic results are those, which are compiled from across the web by the crawler bots from various sources and links. They are presented in the order chosen by the search engine's logic, in this case, Google's. As mentioned before, good logical structure is important when building web sites that can be easily accessed and analyzed by crawlers. Building the web site to cater to the needs of a certain search engine's web crawlers and in conjunction to raise the ranking of the web site in organic search results is called Search Engine Optimization (SEO).

4.2 Search Engine Optimization

Search Engine Optimization is the process of getting more organic, natural or free traffic to the website, by editing the source code, links and the structure of the website (Search Engine Land, Introduction to SEO, Chapter 1, 2013). In the best cases by optimizing the web site, the company or individual doesn't need to pay for advertising on the search engine for the web site to appear at the top of organic results. This is especially true, if the web site is operating in a niche market on which there is not much competition, and thus less web sites to compete on rankings on search results.

Some of the basic methods and best practices which help the web site to rank higher include; accurately describe the pages content, create unique title tags for each page and using brief and descriptive titles (Google Search Engine Optimization Starter Guide, 2010, 5). To help the crawler bots to find your page easier, emphasis should also put on correct meta tags (Google Web Master Blog, Sept. 2007). Meta tags are tags, usually keywords, describing what kind of information can be found on the web page, i.e. data about data, which could specify the page description, author or the date when the page was last modified (SEOMoz, 2013). Meta tags could be compared to the use of hashtags on conversations in Twitter: it is easier to find topics when typing in relative

hashtags, than just browse the Twitter news feed. Meta tags work in similar fashion for the crawler bots, but unlike hashtags, they are embedded within the source code of the page. The crawler compares the meta tags to the search phrase entered on the search engine, and then tries to evaluate and find the most probable and the best possible search results for the user.

Web crawlers also estimate and measure the amount of links that the page has from other web pages. These referrals and links from other pages usually define the popularity of the page, and how many users keep returning to the page. But these links can also be bought from various sources, in order to inflate the referred page's value. But this is an ill-advised strategic move, as various search engines, especially Google, keeps a vast, ever-growing list of sites that are flagged as bot sites or link aggregators. Instead of concentrating on the pure number of links to a certain web site, Google is putting emphasis on the links that are from respectable web pages instead, than those that are from other, less reliable sources. Google also has a devoted team, which concentrates entirely to finding out link-selling schemes and spam mail websites (Entrepreneur, 26.12.2012). In worst cases, the quality score and page rank of your web site, which includes false links, might decline and hurt your reputation and credibility, placing your web site closer to the bottom of the search results, rather than closer to the top.

However, in most cases the competition is tight and even the most extensive, and usually expensive, optimization cannot guarantee that the web site would show up at the top of the organic search list every single time. To get the best results from SEO-methods, it is advisable to combine it with a search engine marketing campaign, such as search word advertising. If the optimization procedures are done correctly, and good structure of the web site is maintained regularly, the web site would not only enjoy good visibility on organic search, but also in search engine text ads. Additional visibility would not hurt anybody, and doubling the chance to appear on the first search result screen is an option many contemporary digital advertisers strive for.

4.3 Basic ethical issues of text advertising in search engines

Since search engines require enormous amount of computing power, processors and servers, the companies who maintain them need revenue. There are various ways how a search engine company can raise the revenue from web use, such as selling advertising space on the site itself, for example, in the form of display banners which display picture ads. Another way is to provide the marketers the option to raise their sites position in search engine results higher than they would normally appear, by paying a fee to the search engine provider. This method, however raises an issue in advertising ethics: is it ethical to use this kind of advertising, where the user or consumer does not know if the search result is an advertisement or not?

In the article “Search Engines and Ethics” Herman Tavani poses two possible reasons why search advertising can cause the search results to be non-transparent or biased; 1) the interest of advertisers who sponsor search engines and 2) schemes used by technical-savvy individuals and organizations to manipulate the ordered ranking of sites returned by search engines (Tavani, 2012). These are fundamental issues that need to be considered and taken into account when planning search word advertising campaigns. For example, in picture 4.

The screenshot shows a Bing search results page for the query "cheap flowers". The search bar at the top indicates 56,700,000 results. The results list includes several text advertisements, each with a green arrow pointing to it and the word "Advertisement" written vertically on the left side of the page. The ads are:

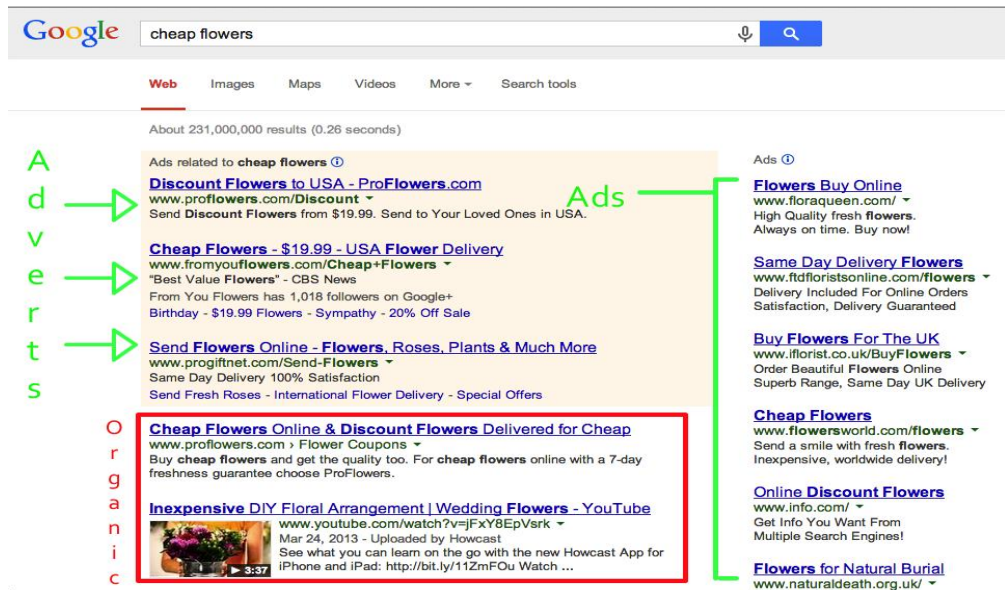
- Cheap Flowers - Nationwide Flower Delivery** (www.cheapflowers.com) - Send flowers nationwide with fast delivery by a local florist - roses, daisies, sunflowers, balloons, lilies, sympathy, get well, thank you, new baby, and more. No ...
- Cheap Flowers (in price but not in quality!) at 1-800-FLOWERS...** (www.1800flowers.com/cheapflowers) - Enjoy spectacular sale prices on gorgeous fresh flowers, beautiful plants, mouthwatering gourmet treats and more!
- Cheap Flowers Online & Discount Flowers Delivered for Cheap** (www.proflowers.com) - Flower Coupons - Buy cheap flowers and get the quality too. For cheap flowers online with a 7-day freshness guarantee choose ProFlowers
- Need Cheap Flowers Online? Get Cheap Flower Delivery | ...** (www.1800flowers.com) - Flowers by Price - Beautiful yet cheap! Flowers starting at \$29.99. Our cheap flower delivery by a florist is great value.
- Cheap Flowers | Cheap Flower Delivery | FromYouFlowers@** (www.fromyouflowers.com/price/under-30-flowers) - Cheap Flowers Flower Delivery at a Discount - Shop our flowers for cheap prices without sacrificing quality. Our cheap flowers are the perfect birthday flowers, Fall ...
- Discount Flowers | Discount Flower Shop | Flower Discounts** (www.discountflowershop.com/index.html)

On the right side of the page, there are sections for "Related searches" (including "Cheap Flowers No Delivery Ch...", "Cheap Flower Free Shipping", "Cheap Flower Arrangement", "Discount Flowers", "Same Day Flowers", "Wholesale Flowers", "Pictures All Types Flowers", "Edible Arrangements"), "Bing Boards" (with a board titled "Grocery store flowers with flair" featuring a picture of a bouquet), and a "Bing Rewards" notification.

Picture 4. Screen capture of text ads shown on Bing (2013)

One can see the search results for “cheap flowers” on Microsoft’s search engine Bing. The paid advertisements are embedded within the search results among the organic search results, and it is hard separate them from the results, that can are ranked higher because of logical structure of the website, which helps the work of web crawlers and therefore ranks it higher in organic search results. This creates doubts of bias, and may affect the reputation and credibility of the search engine in a negative way, as users may regard it just an aggregator of text ads. An example could be a version of Wikipedia, the free online dictionary and encyclopedia, which would only show advertisement messages, when someone is trying to search information on some other subject.

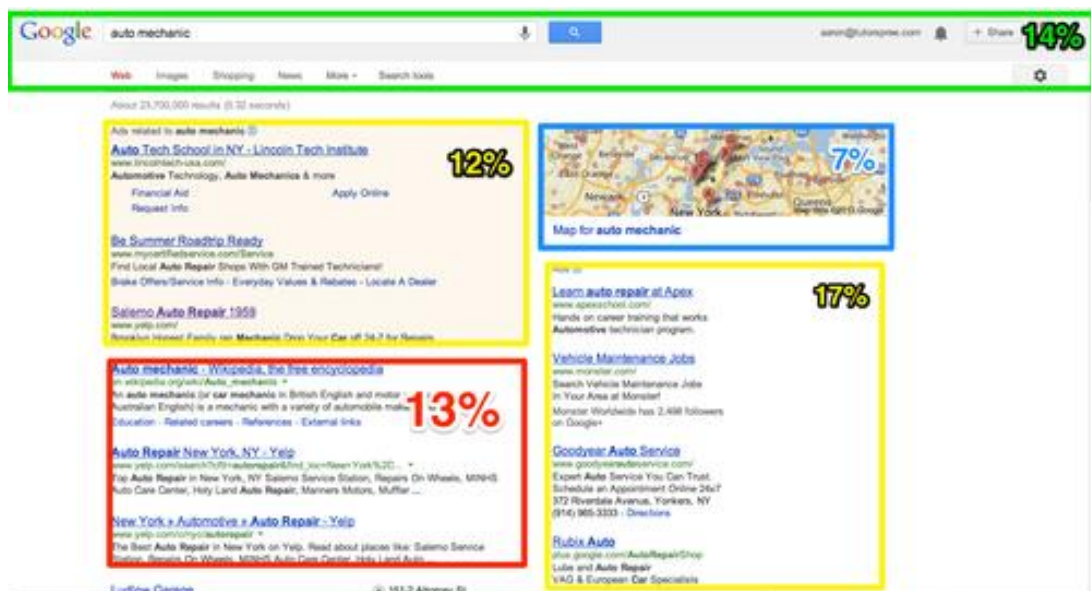
When the search was repeated in Google’s search engine five minutes later, the results were easier to interpret, and search engines are easier to distinguish from the organic search results - from the picture below.



Picture 5. Screen capture of Google search results and text ads (2013)

The latter model, in which the search ads are separated from organic search results within the orange box, or put on the sidebar of the site, is clearer and easier for anyone looking at the results to see the difference between the two. Separating paid ads from the organic search results creates an image of transparency of the search engine company, and adds credibility and as Google is currently the most popular search engine, and the world's fifth most valuable brand (Forbes, 2013), they cannot afford have credibility issues.

It would be wrong they say, that Google did not have any credibility issues, or issues on being accused as biased or as in the latest case, accused of “killing the organic search results” (Kosner, Forbes, 2013). A business owner and co-founder of Tutorspree, a tutoring website based in New York City took a screen capture of Google's search results and measuring the amount of screen space that the organic results got, when he typed a search term. By measuring the amount of pixels, and how many percent of the pixels on the first search screen the organic search results got, an issue arose of Google's bias and reliability as a search engine provider. The result of only 13% percent visibility on organic results was too low for the author of the text and screen capture.



Picture 6. Visibility percentage of organic search results in red, on Google (Tudorspree Blog, July 2013)

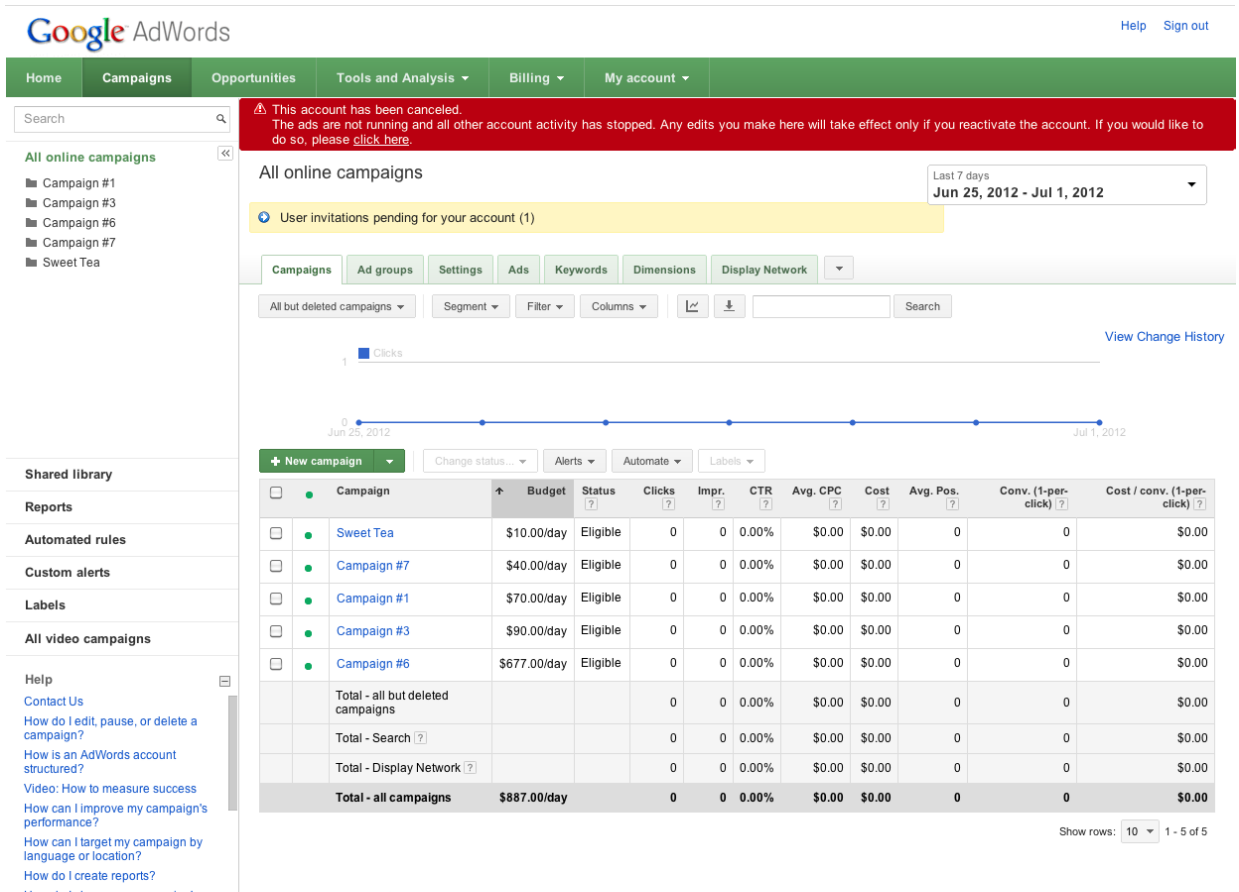
This percentage heated the discussion on the visibility of organic and paid results, and the Federal Trade Commission of USA issued a demand on the search engine companies to differentiate ads clearly from organic search results, as “there’s a potential for deception unless search engines clearly and prominently distinguish advertising from natural search results” (Fair, FTC Blog, 2013). The issue must be resolved on the behalf of the search engine companies, also when and in which manner the search engine differentiates ads from organic results is left to their discretion. It is a thin line, before a law or regulation is decided upon, which would include clear guidelines on details such as placing, color and frequency of ads. As one can observe from the search results on Bing (picture 4.), Microsoft has not yet made any real distinction, unlike Google has strived for.

4.4 How to advertise on Google AdWords

As described before, the basic mechanics of search word advertising are quite straight-forward; the advertiser sets up a list of keywords which relate to a web site and to its content, creates ads that are triggered when a user inputs the corresponding keyword, the ad is displayed on search result page, the user hopefully clicks on it and is directed to the advertiser’s web site (Google AdWords Fundamentals, 2013, 6-7). Every time someone performs a search on Google, an auction is run by AdWords, to determine what ads are shown and in which ranking order. Those with the rank from 1 to 3 are placed above the organic search results, those with rank from 4 to 7 are placed on the right-hand sidebar, and those with ranks of 8 or more are placed at the bottom of the results (AdWords Fundamentals, 2013, 16-17). The advertiser’s Ad Rank in the keyword auction decides the ad position. Ad Rank is a score that is based on a combination of advertiser’s bid and Quality Score. The Quality Score is a measurement of how relevant the keywords are compared to the search, the rele-

vance of ad texts, and the quality of the landing page, to which the ad directs to (AdWords Fundamentals, 2013, 20).

When described in a more detailed way, there are more intricacies, than the basic process described above. First of all, the advertiser must establish an account in Google AdWords, a web-based platform, which acts a control center for both text and display ads in Google Search and Display networks. Within the AdWords account the advertiser can monitor the overall activity of the individual account(s), set the budget, ad funds and look at the performance results. Performance results, such as how many times the ad has been shown (impressions), how many clicks has the ad gathered and what is the average position (positions range from 1 through 9, with decimal increments of one tenth) of ads in campaigns (see picture 7. below) within the selected time frame.



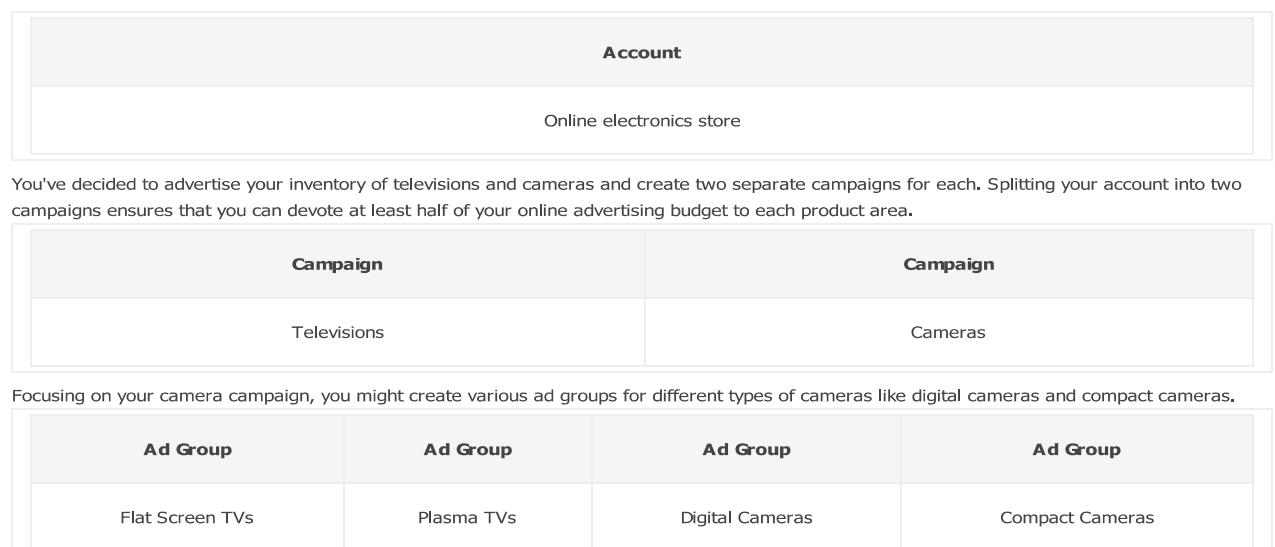
Picture 7. A screenshot of AdWords dashboard (AdWords Fundamentals, 2013)

As described above, there can be multiple campaigns within a single account, each corresponding to a product category, such as “Sweet Tea” in the picture above. The advertiser can assign a daily budget to the campaign in the selected currency. From the dashboard the advertiser can follow the daily spend status of the group (active/paused/deleted), amount of clicks, impressions, the positioning on search page and conversions.

Conversions occur, when a consumer has seen the text ad, clicked on it and landed on the web site and performed a pre-defined action within the site. The action can range from filling a form, subscribing a newsletter to buying something from a web shop. In most cases conversion goals are set to the latter option, as this is a clear indication, how many customers have bought something within the selected time frame (AdWords Fundamentals, 2013, 13-14).

4.5 Campaigns in AdWords accounts

Within the campaigns keywords and corresponding text ads are divided into as many ad groups as necessary. A good rule of thumb when deciding different ad groups is to give each product category its own ad groups. For example, for an online electronics store, televisions and cameras have their own campaigns, and within those campaigns, products are further divided into ad groups by their characteristics, such as plasma TVs or flat screen TVs (picture 8.).



Picture 8. Structure of campaigns and ad groups within AdWords
(AdWords Fundamentals, 2013, 54)

Each campaign has a set daily budget that can be set as high or as low the advertiser wants to. Whenever a keyword triggers a text ad and creates an impression, money is spent from the budget. The advertiser can choose if the campaign is optimized either for; *clicks*, a great for directing traffic to a specific web page, or *conversions*, which are a pre-defined action on your web site that the user completes. The corresponding bidding options are CPC (Cost-Per-Click) or CPA (Cost-Per-Acquisition). Most advertisers starting on AdWords choose CPC-campaigns, where the costs accrue based on the amount of clicks that the ads receive. In this option the advertiser is charged the maximum cost-per-click bid that the advertiser is ready to pay for showing their ad each time a search occurs, and Google compares the keywords and their respective bids in an auction against other possible advertisers. Google only charges the minimum amount that is needed to win the bidding. For example, if your maximum bid is 1 €, and the amount needed to win the bidding against your competitor is 0.50 €, then you are charged only 0.50 €. Money is spent only when the determined goal is met (AdWords Fundamentals, 2013, 16-18).

4.6 Ad groups in AdWords

Each ad group can have an individual default maximum CPC or CPA bid, which represent the amount of money the advertiser is ready to pay for each click or conversion, as discussed before. Within each ad group can be as many corresponding keywords as the advertiser desires. Keywords represent the search phrases that you think your potential customers might be using, when they are using the search engine, for example “flat screen TVs” or “the best shoes for men”. Each keyword can be one of four match types; broad, phrase, exact or negative. These define, what kind of search phrases trigger a certain keyword, and the ad text assigned to the ad group. In addition to these four is also a broad match modifier. By adding the modifier, your ads can only show when someone’s search contains those terms, or close variations of the modified

terms, in any order (AdWords Fundamentals, 2013, 99). Below are the definitions and descriptions of each match type.

Match type	Special symbol	Example keyword	Ads may show on searches that	Example searches
Broad match	none	women's hats	include misspellings, synonyms, related searches, and other relevant variations	<i>buy ladies hats</i>
Broad match modifier	+keyword	+women's +hats	contain the modified term (or close variations, but not synonyms), in any order	<i>woman's hats</i>
Phrase match	"keyword"	"women's hats"	are a phrase, and close variations of that phrase	<i>buy women's hats</i>
Exact match	[keyword]	[women's hats]	are an exact term and close variations of that exact term	<i>women's hats</i>
Negative match	-keyword	-women	are searches without the term	<i>baseball hats</i>

Picture 9. Keyword match types (AdWords Fundamentals, 2013, 98)

Each of the keywords assigned within an ad group can trigger a corresponding text ad, as long as the keyword is active, and not paused, deleted or a negative match type. An advertiser can use negative match type to exclude unwanted traffic to the web site. For example, if the negative keyword is “women” as in the above example, the ad will not appear when the search phrase has the word “women” on it (AdWords Fundamentals, 2013, 101).

When choosing keywords and match types, a few guidelines are useful to remember; keywords within an ad group should be relation to that category of products, it is not cost-effective to have one keyword in all three positive match types and selecting more specific or general keywords. The first guideline is quite self-explanatory; it makes sense to have television-related keywords within an ad group for flat screen TVs, than using camera-related keywords. Google’s algorithm can detect the correlation between the keyword, ad and the destination page. If there is a discrepancy between these three, Google’s sys-

tem can either lower the quality score of the keyword and text ad, lowering its chances for showing or disapprove the text ad altogether, in which case the ad is not triggered at all. Ads may also get disapproved, if the content is not following Google's guidelines of character limits (a text ad may have up to 25 characters on its headline, and 35 characters on each of its two description lines), or other guidelines, such as content. Inappropriate suggestions, such as "click here!", unacceptable vocabulary or characters are not displayed and lead to ad disapproval, and if further violations occur, even the whole AdWords account can be temporarily suspended (AdWords Fundamentals, 2013, 195).

4.7 Text ads in AdWords

For the content of the ads itself, it makes sense to display as much relevant information, special promotions (free delivery) and activating messages, such as "take a look inside", that the advertiser sees necessary to get the potential customer interested. It also advised to have more than one advertisement in each ad group, as different messages affect different kinds of people. Below is an example of a text for winter jackets from Google search results (picture 10.).



Picture 10. An example of the different parts of a text ad on Google (2013)

4.8 Ad extensions in AdWords

In addition to text ads in Google AdWords, the advertiser can also utilize different types of ad extensions shown below, such as; (1.) *location extensions*, to convey where you are located, (2.) *call extensions*, to provide a direct phone number, (3.) *sitelinks*, to promote pages beyond your main landing page, (4.) *seller ratings*, showing your online business ratings, (5.) *social annotations*, showing how many Google+ -social media followers your business has, (6.) *app extensions*, showing a link to your smartphone or tablet app, (7.) *offer extensions*, to promote in-store offers and coupons (AdWords Fundamentals, 2013, 218-220).



1. Location extension



2. Call extension



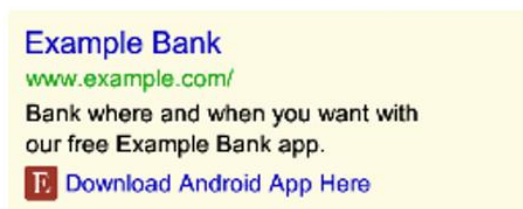
3. Sitelinks extension



4. Social extension



5. Seller ratings



6. App extension

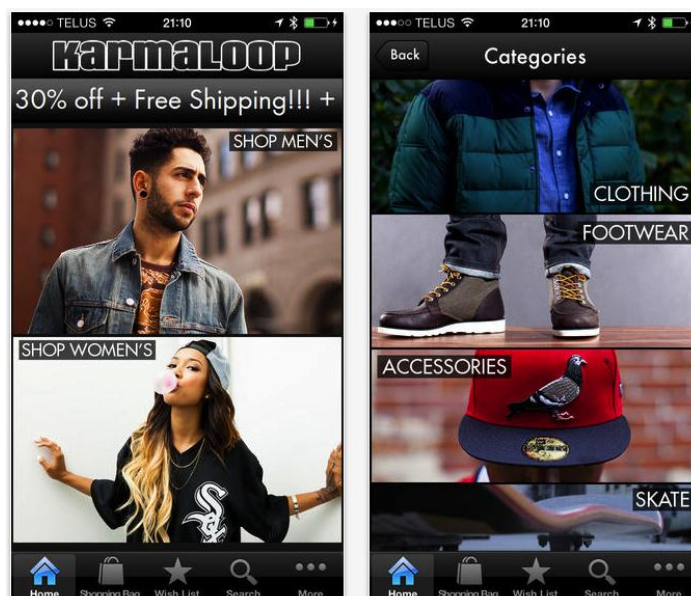


7. Offer extension

Picture 11. Examples of different types of ad extensions (Google screen captures & AdWords Fundamentals, 2013)

Choosing the right type of ad extension to each campaign is vital, but they also increase the value of the ad group and the Quality Score in the bidding process, as they add an additional multiplier to the keyword auction. Using them also adds value to the customer, as many will choose an ad with an extension, rather than one without an extension. Especially call and location adds are important, when searches are done on a mobile device, as according to Jason Spero and Johanna Werther's research on "The Mobile Playbook", 85% of smartphone users have searched for local info, and 35% called the business after searching (Spero & Werther, 2012, 6). These figures represent a significant amount of possible new customers, and increase in revenue, if they are set up correctly and the right ad extension is used for the right AdWords campaign.

For example, it makes sense for brick-and-mortar to utilize location extensions, which leads people to their location where they can find the products and services they are searching for. A good choice of ad extensions for web shops could be either sitelinks, in which specific offers and new products can be emphasized, or if the web shop has a specific smartphone application (such as Karmaloop, an online apparel store based in USA with a vast international clientele), an app extension promoting the specific smartphone application would be the right choice (picture 12.). One point noting for is that the downloadable application, in this case, should be free to download and relatively easy to use, as download fee and the complexity will cause many to give up downloading it.



Picture 12. Screenshot of Karmaloop iPhone application (iTunes, 2013)

5 APPLYING SEARCH WORD ADVERTISING

5.1 Using ad texts to capture attention and demand

The basic mechanics and some of the subtleties of search word advertising on Google AdWords were covered in the previous section. In this section I shall discuss how a company in Finland can utilize and apply search word advertising in their marketing, and what additional value it may create for the business.

As discussed in the first section of this study, advertising funds are shifting away from more traditional marketing channels towards digital marketing, search word advertising belonging to that group, and offering a more cost-efficient option when compared, for example, to TV-advertising (see pictures 1. & 2. for reference). While traditional media is in most cases designed to generate demand, search word advertising must be designed to capture it (ZMOT Handbook, 2012, 32). One of the advantages of search word advertising over traditional media is that it is always on during the campaign's length. Unless prohibited by the country's law on marketing, such as the Finnish law on banning gambling ads during late hours, search word ads can be active, waiting tirelessly for the potential customer to enter a triggering search phrase, 24 hours a day, 7 days a week.

In addition to time of the day, they aren't restricted to location either. An advertiser can use AdWords campaign settings to target the advertising to a certain location, be it a country, a city or multiple cities. Unless the advertiser restricts the ad campaigns in AdWords settings on language, or location, search word advertisement can be shown across the globe, wherever there is access to the search engine, where someone inserts the triggering search phrase (AdWords Fundamentals, 2013, 146). When extending the potential reach of search word advertising campaigns, there needs to be extra attention paid to the goals and target groups of campaigns. Campaigns with wider audiences will exhaust their budgets much faster, as search volume rises, and the number of competing keywords multiply in AdWords search auctions.

5.2 Showing search ads in right places

When advertising with search text ads on AdWords, the advertiser should first think who the individuals that form the target group are? After that comes the question where and how does the advertiser reach them? In this modern age of technology, search engines are only a few clicks or finger swipes away, as desktops, laptops, smartphones and wireless Internet access point are abundant. As mentioned before in this chapter, search word advertising should not only create, but in best cases, also capture demand. Each consumer browsing search engine results is a potential customer, a sales opportunity, whose attention could be captured with a well-placed and thought-out advertisement. For example, a person is searching information on weather in Spain on a mobile phone; a travel agency has set “weather in Spain” as a keyword for its text ad with a -10% discount ad text, and a call extension. The person sees the advertisement on top of search results, during the middle of Finnish winter, clicks the ad text and call extension, calling the travel agency and booking a holiday to sunny Spain. The customer may not have thought of actively searching for a holiday trip, but as the advertiser had cleverly added the keyword, it created a sudden urge in the customer, capturing the attention and supplying the customer with a getaway trip.

Smartphone sales, as well as tablet computer sales, are rising in number every year, and every day more and more people are using more than one device during course of the day. Shifting from one device to another during the day is called *sequential*, when a user has two different devices at the same time, usage is *simultaneous*. According to a study by Google, “90% of users turn to multiple screens sequentially to accomplish a task. Nearly all of those users (98%) move between devices in the same day” (ZMOT Handbook, 2012, 16). Many also open another device, when they are watching TV, and the commercial break comes on, usually to look up information. According to the same study as above, 66% of people who use multiple devices, use a laptop and TV together, and as many as 81% use smartphone and TV together (ZMOT Handbook, 2012, 16). It would make sense for the advertiser to compliment an advertise-

ment campaign with search word advertising campaign. For example, a person sees an advertisement of a new car on TV, opens the laptop and searches more information. A savvy and resourceful advertiser, who has set the car brand and model as keywords, with a text ad linking straight to the nearest car dealership, could potentially sell more cars, than just with either of the advertisements alone.

When designing and planning search word campaigns for mobile platforms, such as tablets and smartphones, one needs to keep in mind, that the processing power of those devices is not yet on the same level as desktops or laptops, and neither are their screen sizes. The advertiser need to take care, that the web site which the text ads are directing the consumers to, should be optimized for mobile browsing. That means making them simpler, clearer and embedding less cluttering elements, which require more processing power and most importantly, time to load. According to Sperro & Werther's study, 57% of users who had a bad experience with a mobile site, wouldn't recommend it, and 40% of users have turned into a competitor's site after a bad mobile site experience (Sperro & Werther, 2012, 12). Having a versatile web site experience will also most likely have a positive effect on brand image.

5.3 Being smart in bidding

The other aspect of search word advertising, besides figuring out keywords and target groups, is purely mathematical side, which encompasses the bidding and budgeting aspects of AdWords. As mentioned before, advertisements within AdWords accounts are divided into ad groups, which are bundled into campaigns. Each keyword within an ad group has a bid, the maximum amount an advertiser is willing to pay for the ad text to get shown (impression), when the keyword is triggered by a search phrase. The performance between them can vary, even if two keywords are the same, but only have different match types.

Keyword	Status [?]	Max. CPC [?]	↓ Clicks [?]	Impr. [?]	CTR [?]	Avg. CPC [?]	Cost [?]	Avg. Pos. [?]	Conv. (1-per-click) [?]	Cost / conv. (1-per-click) [?]	Conv. rate (1-per-click) [?]
Total - all ad group [?]			26,072	56,484	46.16%	€0.03	€869.43	1.2	236	€3.68	0.91%
[]	Eligible	€0.08 <input checked="" type="checkbox"/>	22,572	40,264	56.06%	€0.03	€743.52	1.0	215	€3.46	0.95%
" "	Eligible	€0.08 <input checked="" type="checkbox"/>	2,544	13,766	18.48%	€0.04	€93.44	1.5	16	€5.81	0.63%

Picture 13. Screen capture of an example on keyword performance within AdWords

Above is an example of such a situation, two keywords, which are similar, except they have different match types. The keyword with the parenthesis ([]) around it is an *exact* match type, while the other with quotation marks (" ") is *phrase* match type. They are from the same ad group, which means they trigger the same text ads. The one on top is performing better; not only has it gathered more impressions, more clicks, but it also has a higher Click-Through-Rate (CTR), which is the ratio of clicks to impressions, with higher percentage being better. The keyword with exact match type has also gathered more conversions than the phrase match type (215 > 16). Remember, conversions are the pre-

defined actions within the advertiser web sites (e.g. shop transactions, subscribing to newsletters) that the consumer performs after clicking the text ad.

As the exact match type also has a higher *conversion rate* (ratio of conversions to clicks), it outperforms the other keyword even in that field. To get the best performance out of this ad group, it would be advisable for the advertiser to pause the weaker performing keyword and turn it into a negative keyword. In that case the advertiser could use the amount of budget that the weaker keyword would have used (in this case: €93.44), to boost the bid of the better performing keyword, to gain even better results in the future. By raising the keyword's bid, the advertiser should also raise the daily budget of the ad group, to avoid the budget being overused, which limits the visibility and frequency of the ad texts. In other words, if the daily budget is depleted, the ads won't be shown, even if inputted search phrases contain the keyword(s).

Advertisers should be conscious of their budgets, how much a single conversion costs, how high or low the keyword bids are set and how well or poorly their account is performing to get the best results. Being successful in managing an AdWords account and ad campaign is dependent on business mathematics: how much do you have to spend to get a single click, or a single conversion compared how much revenue a single conversion brings. But a lot of it is also dependent on experience in search marketing, to know which keywords work, how much bids should be raised and how to distribute the marketing budget. Return On Investment, ROI, should be a priority. Make sure that you're paying less for a click, than the amount the click is generating revenue for you. (ZMOT 2012, 32)

6 CONCLUSION

6.1 Pros and cons of search word advertising

In the previous chapters I have been describing the basic concepts of search word advertising, such as the mechanics in length. I also suggested in my original research question whether a company should, or should not, include search word advertising as a part of its marketing strategy. To make it clearer, I have decided to list the pros and cons of search word advertising.

Some of the pros of search word advertising include; good measurability and statistical reliability, ad servicing throughout the day, cost-effectiveness, reach across multiple devices and physical boundaries. The measurability and statistical reliability come in handy, when analyzing results. More traditional media, such as print and television ads cannot claim such accuracy on impressions and reach as search word advertising. The ability to show ads throughout the day is a major positive feature, which triumphs over regular ad slots of radio and television. If the person doesn't have radio or TV open, when the ad is played, they will not hear or see it. Cost-effectiveness is a major positive feature, as in general search word advertising can reach almost ten times more people than, e.g. television ads (see comparison between pictures 1. & 2.), and produce better results with the same budget. The reach across multiple devices and physical boundaries is also excellent, as studies show; people spend more time on multiple devices, and especially on smartphones.

What are the cons of search word advertising? Some of major cons of search word advertising are; dependence on Internet and specific search engines, issues of bias in search results and being relatively new form of advertising. Dependence on Internet and specific is a fundamental weakness; as long as there are areas with poor Internet connectivity, search word advertising is nigh on useless there, and some alternative methods of marketing must be utilized. The dependence on a specific search engines is also a weakness, the same search word advertising campaign cannot be simultaneously run on all search engines,

without learning the intricacies, mechanics and ad guidelines of each specific search engine provider. One of the biggest weaknesses, which fortunately is getting smaller each day, is however the fact that search word advertising as a marketing channel is relatively new. For some marketers it poses huge obstacles and learning curves, and many are not able to fully utilize it alongside other, more traditional marketing channels. But the more advertisers use it, the more they gain knowledge, and soon enough learning curves do not seem as steep as before.

6.2 Conclusion

Search word advertising is a relatively new form of advertising, and although it does not yet have a long history as a marketing channel than, e.g. newspapers, it possesses vast potential as one the most important and flexible marketing channels of the future. With the shifting of media expenditure shifting away from print media, radio and TV (as discussed in the first chapter) and towards digital media, in conjunction with changing media consuming habits of people, it would be advisable for a company to include it in their marketing strategy. For the moment, it would be advisable to have it alongside other media, whether it is digital or not, in order to cater to a wider audience, and to reach as many potential customers as possible. Many of those companies, which refuse to include search word advertising in their media plans, and neglect a magnificent media tool, cannot stay competitive for long.

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