

NAVIGATING THE GOOGLE DISPLAY NETWORK:

How to Succeed & Gain Conversions

Have you ever attempted to expand your PPC advertising by crossing over to the Display Network, but ended up spending a lot of money without generating conversions?

The Display Network has been referred to in many different ways, such as “the dark side” and “the black hole of PPC.”

However, we think it is best described as the yin to the Search Network’s yang. If managed effectively, the Display Network can allow you to reach a wider audience than you had thought was possible.

In this white paper, we will discuss best practices for structuring a Display campaign, deciding the best targeting options, and include tips for optimization. In conclusion, we will share a three-part approach for determining a Display Network strategy.



Display Campaign Structure Best Practices

The Display Network is a completely different animal than the Search Network. You are targeting people earlier in the buying cycle, who are not actively searching for your product or service. Therefore, your strategy is going to be completely different. Below are the best practices to follow when running ads on the Display Network.

- » Separate Search and Display Campaigns. Remember, you are targeting a completely separate audience on the Display Network that behaves in a different manner.
- » Create tightly themed ad groups of between 5-20 keywords. The more closely related your keywords, the more likely it is that your ads will be targeted to the right audience. A good strategy is to create ad groups around each product or service you offer.
- » Use ad group level URLs instead of keyword level URLs. Since there is no single particular keyword is used to trigger your ads on the Display Network, keyword level URLs are not relevant.
- » Avoid dynamic keyword insertion. Because no single particular keyword is used to trigger your ads on the Display Network, keyword insertion will not function properly. Therefore, it is not recommended to use it as part of your ad text.
- » Include negative keywords. The more negative keywords included on a particular topic, the less likely it is that your ad will appear on pages that match that topic.
- » Test multiple ad formats in all available sizes. Don't just stick with running text ads on the Display Network. Test image and video ads to determine what type of ad will perform best.
- » Utilize targeting methods to reach different audiences. Google offers many different targeting options for the Display Network. We'll go over these more in depth in the next section.

Display Network Targeting

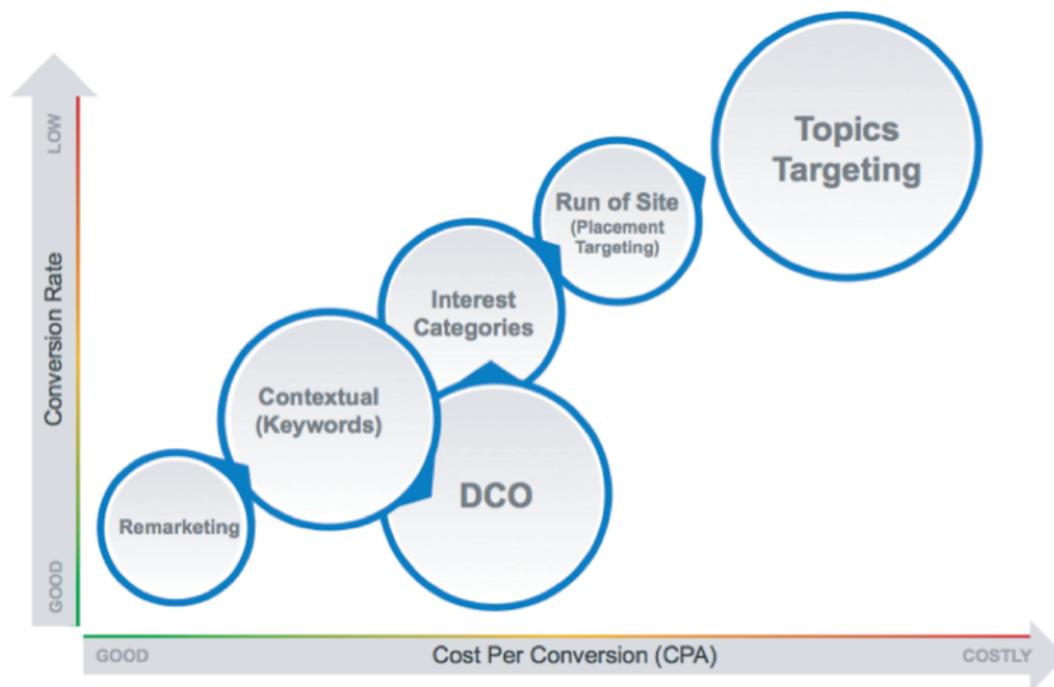
In the Display Network's infancy, when it was still called the Content network, there were just two types of targeting options: automatic placements and managed placements. Now, it seems like Google releases a new type of targeting feature every month. Below is a chart that lays out the different types of targeting options available on the Display Network.

TARGETING OPTIONS	HOW IT WORKS
Contextual (Automatic Placements)	Google evaluates all the keywords in a Display ad group and places your ads on websites that match this theme.
Managed Placements	Select the specific sites where you want your ads to run.
Topics	Targets your ads to websites that include content about topics you select.
Interest Categories	Targets your ads to users with specific interests based on websites they visit.
Remarketing	Shows ads to people who previously visited your site.
Auto Optimization (DCO)	Google automatically optimizes both targeting and bidding to find additional conversions.
Inferred Demographics (beta)	Targets your ads to users based on gender and age.

We recommend separating out each type of targeting into its own campaign in order to gauge performance. However, these targeting options can be used together to show your ads to the most relevant users. For example, if you sell jewelry you can select the Topic "Gifts & Special Occasions" and then include keywords like "jewelry" and "necklace" to have your ads show on specific pages within the topic you selected.

Display Network Targeting Continued

So, now that you are a little more familiar with all of the targeting options, how do you know which ones to use? Well, we would recommend at least testing all of them but there is a strategy you can follow to effectively grow your conversion volume. Take a look at the graph below from a recent Google Display Network webinar:



This graph compares each of the targeting options on Conversion Rate and CPA. The size of the bubble around each option reflects the conversion volume you can expect. As you can see, Remarketing will have a higher conversion rate and lower CPA than the other options. This makes sense as you are targeting people who have already shown interest in your site. However, you can expect to generate a lower number of conversions since you are targeting a smaller audience.

If you are just starting out on the Display Network, we recommend starting with Remarketing and Contextual targeting campaigns as they will give you the most return on investment. However, if you are focused more on branding instead of generating conversions, you may want to start with a Topics campaign to reach the largest audience. Your overall PPC strategy should be your guide in where to begin your Display Network efforts.

Tips for Display Network Optimization

Once you have structured your campaigns, selected your targeting options, and started gathering data, it is time to optimize. You can see how you are performing on the Display Network by looking at the Networks tab. Below are 5 tips to follow when making optimizations to Display Campaigns.

- 1.** Focus on Conversions, not CTR. Your click-through rate on the Display Network will be lower than the search network because of the sheer volume of impressions. Since user behavior on search is different from content, focus on conversions, not CTR. Note that Display Network CTR doesn't affect your ad's Quality Score on the Search network.
- 2.** Increase bids on high-performing sites to maximize the delivery of your ads on those sites. We have had experiences where adding sites to managed placements has led to higher cost-per-clicks without many additional conversions, so test a few managed placements at a time to determine if an increase in bidding increases performance.
- 3.** Decrease bids on poor-performing sites that aren't meeting your goals.
- 4.** Exclude from your campaign specific sites that aren't performing well. You can exclude placements at the campaign or ad group level. Start small with just excluding sites at the ad group level. Check to make sure a placement isn't performing well for all ad groups in a campaign before excluding at the campaign level.
- 5.** Expand on well-performing ad groups. This is the perfect time to put the contextual targeting tool to use.

3 Part Approach to Determining a Display Network Strategy

I. DEFINE YOUR GOALS

It's important to understand that the Display Network is an entirely different monster than Search. You aren't going to have the same intent connection when serving Display ads as you will when serving ads through Search. The potential impression wasn't a result of someone directly telling you what they are looking for. For this reason, you should start your Display strategy by thinking through exactly what you intend to gain from using the Display Network. To begin with, is it something you even need in the first place? Would your budget be better spent in other marketing channels? If there is room for the Display Network, you need to understand the benefit of using it and how best to implement Display in order to reach your company goals.

It is essential to think through the branding aspects of a good Display Network campaign, particularly when using image ads. Would your product or service benefit from branding, even if you are not seeing direct conversions? Will your Display campaign contribute to higher conversion rates in your other marketing channels? In most cases, the answer to both of these questions is yes. Therefore, you need to address your conversion rates differently than you do in search. Multichannel tracking in Google Analytics is a great free tool that can help you better define what your goals should be. In many instances, several touch points are needed to convert a user. Display can be an integral part of assisting conversions.

Does this mean you should always relax your conversion cost goals in the Display Network? No. What you should do, however, is always consider the full benefit of using a Display platform.

2. DEFINE THE MOST APPROPRIATE CHANNELS

Understanding the channels that you will use is an integral part of your overall strategy. Here at Hanapin, we believe that the Display Network is more flexible than the Search Network as far as channels are concerned.

With Search, the ads are shown on the actual search engine, making Google the clear-cut leader when it comes to reach. In Display, you can find an equally trafficked site on a second or third tier engine as you can on Google. Of course Google is going to have more potential sites than these other engines, but the gap is not as large or important. For this reason, we think exploring multiple channels is a good approach.

We would add one precaution - your available budget should also play into how many channels you go after initially. In many instances, it takes more time and money to truly optimize on the Display Network than what you may be used to in a Search campaign. There are two schools of thought here. You can be cautious with your spend and slowly identify the appropriate marketing mix and placements within your display campaign and control your costs. Second, you can set up several targeting options with a decent budget; it accelerates the optimization process but has the potential for higher conversion costs initially. We firmly believe in the school of the second option. You have to identify what is going to work and the faster you get there, the more successful your campaign is going to be in the long run. Additionally, with higher starting budgets, you are more likely to find a higher number of successful placements.

The takeaway to remember is that if your budget is tight, spreading it out among several channels is going to lessen the odds of making all of those channels as successful as it can be. Would you rather have one rock-star channel or several so-so channels?

3 Part Approach to Determining a Display Network Strategy Continued

3. MATCH YOUR AD STRATEGY TO ADDRESS YOUR GOALS

The third process that you should work through when developing your overall Display Network strategy is your ad objectives. To start, you should decide on a bidding model. There is a place for both CPM and CPC, but the way you develop your creative should be different for each. In a CPC model, we advise pre-qualifying your traffic through extremely descriptive ads. You will only pay for customers who click on your ads. If your ad is too vague, you might be driving unqualified traffic, which will wind up costing you more money. Your ads need to be extremely relevant in CPC, yet you need to strike a balance between disqualifying too much traffic. You don't want to lose fringe customers who might click due to curiosity, possibly leading to a conversion.

CPM requires a different strategy. You are paying for those impressions, regardless of who clicks on them. In these instances, we believe the right move is to leave something for the imagination. You want your ad to draw attention to itself. You want it to be intriguing, and you don't want to pre-qualify too much. Hopefully you have a good site to back up the creative. Therefore, your focus should be on encouraging as many of your impressions to click through to the site as possible, where they can then make a decision on how to proceed. Your bounce rate will probably be higher for your CPM campaign than with your overall site traffic, but you'll also be capturing more visitors for the same price. Furthermore, you are giving yourself more of an opportunity to convert at no additional cost.

Obviously, it is important to think through which route you are going to take before creating your campaigns, since your messaging should be consistent with your overall strategy.

Applying all of these strategies will allow you to meet with success in the Display Network, and ultimately gain quality conversions. If you are interested in an account audit or in having a professional paid search agency implement these changes and more, please visit www.hanapinmarketing.com or call 812.330.3134.

About Hanapin Marketing:

Hanapin Marketing is a paid search agency based in Bloomington, Indiana. Founded in 2004, the company manages and optimizes clients' paid search programs – increasing sales while simultaneously decreasing budgets. From ad copy composition to keyword research to landing page optimization, Hanapin's core objective is to maximize our clients' return on investment. Hanapin Marketing also publishes the industry-leading blog, PPC Hero.