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Google AdWords Relevancy

By Andrew Goodman, Oct. 24, 2006

Just one article this month - on the relevancy component of Google AdWords Quality Score. Keyword Relevance, Torso Words, And Quality Score.

In Google's documentation -- you can look it up -- you can ascertain that your ad rank on any given keyword is determined by your bid multiplied by Quality Score. We've gone over the fact that Quality Score replaces CTR (clickthrough rate) numerous times here, and that according to Google, CTR is predominant in the formula to determine ad quality.

We've also explained that historical CTR starts to take over once you have an account history, and other "predictive" relevancy factors take a relative back seat to historical CTR. Bottom line? If you build up a consistent CTR of 7% over time, that's going to give you a lot of leeway and a nice, high QS.

That being said, I also posited the idea that if certain factors in your offer are "red flags," then you may find even high-CTR keywords hampered with high minimum bids. In essence Google's worst pet peeves have a certain veto power, formulaically speaking. If they (or the algorithm intending to reflect editorial policies and user and competitor complaints) don't like something about your business, landing page, etc., then it can be a struggle. It's like editorial oversight but less overt because they don't have to tell you what's going on. Squeeze pages, scam offers, and arbitrage may be in Google's sights, depending on unseen criteria. Clear violations of user experience guidelines (popups, nondisclosure of business information) may also factor into the equation.

Let's face it: I don't know the exact algorithm. I haven't seen inside, and neither will you. But a useful way to get closer to the truth about how predictive relevancy scoring is done - beyond listening to the info Google explicitly provides -- is to look at commonalities in what people are seeing, in what engineers at both Google and Yahoo are saying about relevance, and common threads that date back to strategies that always worked when the formula was just a bit simpler.

Tight Loop Concept

First off, let's listen to what both Google and now Yahoo (for their forthcoming Panama algorithm) are saying about keyword relevancy. Essentially their algorithms will look at how well the keyword relates to the ad, and how well these relate to the landing page. Formerly, enforcement of that relevancy requirement was loose, inconsistent, and cumbersome - Yahoo had editors who would "pick at" your landing page relevancy and reject keywords. Now, both Google and Yahoo are going to be looking -- algorithmically wherever possible -- at the "fit" amongst all the elements of your offer. More generic ads will tend to struggle to stay at the top of the listings, when up against a really

tightly targeted ad and landing page. Guess what: that's been the reality with AdWords for awhile, given how tight targeting and granularity improve CTR's in most cases. The difference now is that data is not only collected historically, it's used predictively to provide disincentives for new advertisers coming in and just lazily throwing stuff in front of the user's face, to the detriment of advertisers who are already there. That advertiser who is still in dark ages and thinks they can turn this into a "big important media buy" will have much worse ROI than the ones who believe in the concept of tight targeting and iterative campaign growth and testing.

Old News - The Poor-CTR Penalty

When Google has built up a hefty file on you getting poor CTR's for a given keyword, your QS might really get hammered. The method of deactivating you is a bit different from the old way. Your minimum bid gets set to \$1.00 or \$5.00, effectively deactivating your keyword depending on what you're willing to bid. This low-CTR penalty is very similar to the way it was previously, and it still makes a lot of sense all around. Let's take an example that's disguised slightly to protect the innocent (sorry if that makes it slightly nonsensical). The broad match for the word "repair" would not work very well in a lot of contexts. Let's say it has worked well for a particular campaign because of the relevancy of the ad and the content it led to. By contrast, the plural word "repairs" gets slapped with a \$5.00 minimum bid, and you can't figure out why. Isn't that keyword just about as relevant? No -- as it turns out, it's getting a click only about every 800 impressions! Let's come up with a potential reason for that: ambiguity. The word repairs could overlap with many very irrelevant queries -- perhaps bridge repairs, road repairs or something else -- research or news driven searches. Maybe it's just a quirk that "repair" did OK. Now, how to work around the dead "repairs" word? Well, a couple of points. One, do what I've been counseling for some time. Go for the "torso" of semi-common queries by loading up an ad group with two-word broad matches that include the word repairs (as long as they're relevant). Drain repairs, plumbing repairs, floor repairs, etc. I know some of these phrases may sound nonsensical but with expanded broad match you will get some relevant traffic out of a group of 200 or so two-word phrases like this. And I guarantee you -- Google's projected relevancy for most of these terms is likely to be considerably better than for the one-word broad match. Another thing to keep in mind is that if you're using torso terms (two-word broad matches, let's say) for either the singular or plural version of "repair," Google's expanded broad matching might show your ad against any user query that is similar enough to your phrase to warrant an impression.

A lot of people use a different approach to this, sticking with the one-word broad match and adding a lot of negative terms. This should be almost as good, but if you didn't do it in the beginning, you may be stuck bidding the high amount to get your terms back. So use broad terms sparingly in the early going UNLESS you pay close attention to negatives.

New Problem - Classes of Keyword They Don't Like

It seems that big brand keywords and individuals' names are among keyword classes that have poor predicted relevancy and are hard to bid on in new campaigns. Combine that factor with the lack of granularity (bid on just Best Buy or Mcdonalds?) and you're looking at \$1.00 or \$5.00 minimum bids. Don't lose heart completely, though. Granular approaches here might well work, if there's some honest user response to be expected. For example, I'm asked to bid \$5.00 on the term Home Depot. But they let me bid \$0.50 on Home Depot Canada. And Home Depot Toronto has a minimum bid of \$0.07. As it turns out, the Home Depot Canada projection by Google was even a little bit lenient. The ad I ran got very low CTR's on that term, and so eventually the QS will get worse, and that will be

bumped up to \$5.00. The "local" term, however, is doing quite well, and I want to add, it converts well too. That's because, on the site in question, consumers are actually writing reviews of local Home Depot stores. Arguably, placing the same ads against generic terms would have been annoying to consumers, and deceptive enough to cause the Home Depots of the world to rage against Google, legally or rhetorically. So it all sort of makes sense.

Obviously, you are probably not wise to bid on the word "Kenwood" -- but "Kenwood Vacuum Cleaner" has a clear business purpose to it and a clear user intent. As a retailer, you have every right to use that phrase in many cases, but perhaps more importantly, Google expects user response and thus user satisfaction to be higher than if your ad showed up next to something like "kenwood lawsuit," "kenwood kentucky restaurants," or whatever. One-word broad matches are high-risk plays for Google so they want to get rid of that risk by making you pay every penny of their risk for showing overly generic ads, and then some.

The watchword, still, is GRANULARITY. A well-organized campaign that takes users to relevant offers still works. If that sounds like a bit of a cliché, consider trying to build out your "torso words" (between the head and the tail) of two-word broad matches (long lists of same) and see if you feel like that's a cliché or whether there isn't more room for improvement in your campaign. Then, try ten intelligently-targeted landing pages where you used to have one. Not only is it going to give you better economics by way of better quality scores, over time, but your conversion rates should rise too.

To really "grok" this, probably the best book you can read is "Waiting for Your Cat to Bark," by Bryan and Jeff Eisenberg. Or listen to Bryan talk.

Every time I start to whine a bit about high minimum bids on keywords... or at least half the time, anyway, I have to remind myself: "dude, admit it -- you're bidding on irrelevant keywords!" Yeah, it's cut down on a few tricks, but we can replace much of that inventory with more diligent pursuit of "torso words."

As a search engine user, do you really want the engine to leave incentives around for clever advertisers like you and me to bottom-fish for five-cent clicks on irrelevant ads? For every one user who stumbles on something they'd like, there are 5,000 who would get annoyed.

And now, Yahoo has come to fully understand this. It has **vastly** changed how they will operate their ad auction. New advertisers will be migrating onto the new Panama system -- much easier to use -- for the remainder of 2006. But the "marketplace design" (the new auction format) won't be live until approximately March, when the last advertiser is migrated over. As a Yahoo advertiser, you'll have to be ready for this completely new environment. My colleague, Mona, author of the Yahoo Search Marketing Handbook, is now working on a completely new version of the Handbook, so you'll be ready. The nice thing about Panama is, well, it works a lot like AdWords. It supports the granularity you require by using the modern format that includes campaigns, and ad groups, and lets you test multiple ads against those ad groups.

Until next time!

Andrew

P.S. Did you check out the free audio roundtable following up on my trip to Burbank to preview the new YSM? I interview Barry, Mona, Catherine, and Jen about their impressions from the two days we spent at Yahoo HQ.