

# Keywords, Queries, and Leads.

A GUIDE TO SEARCH ADVERTISING TERMINOLOGY



This booklet is a guide to the terms used in the world of online advertising, with a special focus on the basic concepts of search engines, search-based advertising, metrics and pricing. We hope you find it helpful as you explore this innovative way to advertise.

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## Search marketing

When you advertise on a search engine, you choose **keywords** that relate to your product or service. Internet users type in your keywords and see your ad on the same page as their search results. Most offer space alongside the search results, or below the editorial portion of the page. These **paid placement** options are distinguished from **paid inclusions**.

**Query** A request for information, usually to a search engine or a database. The user types in words or topics, and the search engine returns matching results from its database. A query is at the center of every search engine interaction.

**Keyword** A specific word, or combination of words, entered into a search engine that results in a list of pages related to the keyword. A keyword is the content of a search engine query.

**Text ad** An ad designed for text delivery, with concise, action-oriented copy and a link to your website. Because they are not accompanied by graphics, text links are easy to create and improve page download time. Also known as a **sponsored link**.

**Call to action** Ad copy that encourages users to take a defined action. Examples range from “Click here” or “Buy now” to “Enter now to win a free trip to Hawaii” or “Click to download a free white paper.”

**Landing page** An active web page where Internet users will “land” when they click your online ad. Your landing page

doesn’t need to be your home page. In fact, ROI usually improves if your landing page directly relates to your ad and immediately presents a conversion opportunity — whether that means signing up for a newsletter, downloading a software demo, or buying a product. Also known as a **destination URL** or **clickthrough URL**.

**Paid placement** A guaranteed listing that appears next to search results, usually in relation to specified keywords. In response to recent Federal Trade Commission guidelines, many search engines clearly identify paid placements as “sponsored links” and run them separately from the editorial portion of the page. Paid placement programs are typically based on cost-per-click (CPC) or cost-per-thousand (CPM) pricing, and the cost is higher than paid inclusion ads. Also known as **pay-for-placement**.

**Paid inclusion** Guaranteed inclusion on a search engine’s results in exchange for payment, without any guarantee of how high the listing will appear. A paid inclusion appears to the user as an editorial listing rather than as a sponsored link. Pricing is typically based on a flat fee or index fee.

## Targeting

Search advertising enables you to target your ads to the right customers at exactly the right time: when they are seeking information about your product or service. Advertisers choose which keywords they want their ads associated with, then their ads appear on search results pages or on content pages of sites related to those keywords. Targeting works hand in hand with relevance to improve the effectiveness of your ad campaign.

**Relevance** A measure of how closely a search result, or a keyword-based ad, matches the user's keyword. Relevance is key to harnessing the power of search advertising, regardless of whether the keyword-based ad appears on a results page or on a related content page. The more relevant your ad, the more likely the audience will be motivated to respond to your call to action. At the same time, the relevance of your ad and your ad's landing page can enhance the user's search and browsing experience, where irrelevant ads can cause users to ignore advertising altogether.

**Content targeting** The ability to run relevant ads on content websites, rather than on search results pages. The first generation of content targeting (also known as **contextual**

**advertising**) required manual insertion of relevant ads on informational sites related to the search query. Now content-targeted advertising can also be dynamic: the ad system sees you are viewing a page about travel (the "content"), by having examined words on the page and other factors, and therefore delivers up an ad related to travel (the "context"). Also known as **content-targeted advertising**.

**Geo-targeting** The distribution of ads to a particular geographical area. For example, you can use a place name in your keyword, such as "Minnesota multimedia" or "Sacramento farm equipment." Some search engines allow you to target specific countries – and languages – without using keyword relevance.

**Keyword matching** Methods of selecting and organizing your keywords to match the user's query. Four types of keyword matching options can help you refine your ad targeting:

**Broad match.** Your ad appears when the words in your keyword are contained in the query, regardless of their order and even if other words are also included. For example, a broad match for the keyword "tennis shoes" would include "shoes for tennis" and "tennis dresses and shoes." Broad matches are usually less targeted than exact or phrase matches.

**Exact match.** The search query must exactly match your keyword. This means "tennis shoes" will only match a user request for "tennis shoes" and not for "red tennis shoes," even though the second query contains your keyword.

**Phrase match.** Your ad appears when users search on the exact phrase and also when their search contains additional terms – as long the keyword phrase is in exactly the same order. A phrase match for "tennis shoes" would include "red tennis shoes" but not "shoes for tennis." In the case of one-word keywords, there's no difference between a broad match and a phrase match.

**Negative keyword.** Negative keywords allow you to eliminate searches that you know are not related to your message. If you add the negative keyword "-table" to your keyword "tennis shoes," your ad will not appear when a user searches on "table tennis shoes." Negative keywords should be used with caution, as they can eliminate a large portion of a desired audience if applied incorrectly.

## Metrics

The objectives of your search advertising campaign will include some combination of quantity- and performance-based metrics. Many of these measurements, such as the number of impressions or clickthroughs, are also the basis for ad pricing models on search sites.

**Target audience** The intended audience for an ad, usually defined in terms of specific demographics (age, income, etc.), product purchase behavior, product usage, or media usage.

**Universe** The total population of the audience you're measuring.

14 **Impression** An ad served to a user's browser. Number of impressions determines the cost of online ads in CPM pricing models. Also known as an **exposure**.

**Reach** The total number of unique users who will be served your ad over a specific period of time. Reach is often expressed as a percent of the universe for the demographic category. Also known as an **unduplicated audience**.

**Share of voice** A relative portion of inventory available to a single advertiser within a defined market sector over a specified time period.

**Unique user** A single individual or browser who accesses a site or is served unique content and/or ads. Unique users can be identified by user registration or cookies. Also known as a **unique visitor**.

**Repeat visitor** A unique visitor who has accessed a website more than once over a specific time period.

**Frequency** The number of times an ad is delivered to the same browser in a single session or time period. A site can use cookies to track frequency.

**Clickthrough** The action of clicking a link that takes the user to another web page.

**Clickthrough rate (CTR)** The number of clickthroughs divided by the number of impressions, multiplied by 100 and expressed as a percentage. For example, your CTR is one percent if 100 people are shown your ad and one person clicks through to your site. CTRs typically range from 0.5 percent for banner ads to 3.0 percent for text links. Also known as **ad impression ratio** or **yield**.

**Return on investment (ROI)** The benefit gained in return for the cost of your ad campaign. Although exact measurement is nearly impossible, your clickthrough rate and your

conversion rate combined with your advertising costs, can help you assess the ROI of your campaign.

**Conversion** A defined action in response to your ad's call to action. A conversion may be a sale, or it could be a registration, download, or entry into your lead database, depending on the goal of your campaign.

**Conversion rate** The number of visitors who respond to your ad's call to action divided by the number of impressions, multiplied by 100 and expressed as a percentage. For example, your conversion rate is one percent if 100 people are shown your ad, five people click through to your site, and one person makes a purchase.

## Tracking

Online advertising opens the opportunity to track audience response throughout the life of your campaign. Tracking and reporting tools can help you learn as you go, so you can refine your ad creative, placement options, and spending levels if you're not seeing the results you expect. Typically your ad server/service will provide reports on ad impressions and clickthrough. For additional analysis of your traffic and actual customer conversion rates, you'll need to build tracking mechanisms into your website.

**Token** A tracer or tag attached by the receiving server to the address (URL) of a page requested by a user. A token lasts only through a continuous series of requests by a user, regardless of the length of the interval between requests. Tokens can be used to count unique users.

**Beacon** A line of code placed in an ad or on a web page that helps track the visitor's actions, such as registrations or purchases. A web beacon is often invisible because it's only 1 x 1 pixel in size and has no color. Also known as **web bug**, **1 by 1 GIF**, **invisible GIF**, or **tracker GIF**.

**Cookie** A file on the user's browser that uniquely identifies him or her. Use of cookies on your site makes it possible for you to identify return visitors and track their web actions.

## Pricing

Costs for search advertising are based on ad performance or ad delivery. Performance-based pricing relies on agreed-upon metrics such as cost-per-click (CPC), a percentage of online revenues, or new sales leads acquired. Some publishers base revenue on a hybrid model, combining CPC and cost-per-thousand (CPM) pricing.

**Cost-per-click (CPC)** Pricing based on the number of clicks your ad receives. A typical range is 5 cents to \$1 per click. Also known as **pay-per-click**. CPC may also refer to **cost-per-customer**.

**Cost-per-action (CPA)** Pricing based on the number of actions in response to your ad. An action may be defined as a sales transaction, a customer acquisition, or simply a click. Also known as **cost-per-transaction**. CPA may also refer to **cost-per-acquisition**.

**Cost-per-lead (CPL)** Pricing based on the number of new leads generated by your ad. For example, you might pay for every visitor that clicks on your ad and successfully completes a form on your site.

**Cost-per-thousand-impressions (CPM)** Pricing based on number of impressions served over a period of time. A

\$50 CPM means you pay \$50 for every 1,000 times your ad appears. (“M” is the Roman numeral for 1,000.) Also known as **pay-per-impression**.

**Cost-per-order (CPO)** Pricing based on the number of orders received as a result of your ad placement. Also known as **cost-per-transaction**.

**Cost-per-sale (CPS)** Pricing based on the number of sales transactions your ad generates. Since users may visit your site several times before making a purchase, you can use cookies to track their visits from your landing page to the actual online sale. Also known as **cost-per-acquisition** or **pay-per-sale**.

**Referral fees** Fees paid in exchange for delivering a qualified sales lead or purchase inquiry. For example, an affiliate drives traffic to other companies’ sites, typically in exchange for a percentage of sales or a flat referral fee.

## Placement

Whether you want to maximize visibility or minimize costs, search advertising programs offer a variety of placement options to help you meet your objectives.

**Inventory** Advertising space available for purchase on a website. Based on projections, inventory may be specified as number of impressions or as a share of voice. Also known as **ad avail**.

**Dynamic rotation** Delivery of ads on a rotating, random basis. Dynamic rotation allows ads to be served on different pages of the site and exposes users to a variety of ads.

**Run-of-site (ROS)** The scheduling of ads across an entire site, often at a lower cost than the purchase of specific pages or sub-sections of the site. A run-of-site ad campaign is rotated on all general, non-featured ad spaces on a site.

**Remnant inventory** Low-cost advertising space that is relatively undesirable or otherwise unsold.

**Exclusive** A contract that allows advertisers to purchase all inventory on a given page or for chosen keywords.

**Syndication** An option that allows you to extend your reach by distributing ads to additional partner sites.

**Insertion order (I/O)** A contract that specifies the details of your search advertising campaign, including placement options, keywords, ad creative, landing page, pricing, geo-targeting, and language options.

## Advertising on Google

**Google AdWords** is the world's largest search advertising program, currently used by more than 100,000 businesses to cost-effectively get new customers. AdWords is the only advertising program that capitalizes on the unsurpassed relevance of Google search engine results and the broad reach of Google and its network of partner sites.

AdWords uses keywords to precisely target the delivery of advertisements to people seeking out information about a particular product or service. Advertisers choose which keywords they want their ads associated with, then their ads appear alongside Google search results and on web pages with information related to that keyword. AdWords appear as clean, simple text and are clearly identified as promotional, thereby respecting and enhancing web users' efforts to find useful information.

Google AdWords offers cost-per-click (CPC) pricing, so advertisers only pay when an ad is clicked on. Advertisers can take advantage of an extremely broad distribution network, as ads can appear alongside Google.com search results, with search results on Google's partner sites (AOL,

Ask Jeeves, and others), and on targeted content pages on leading websites.

Advertisers can choose the level of support and spending as is appropriate for their business. AdWords is available on a self-service basis, in which advertisers control the details of their campaign – creative, keyword choices, and daily budget – via online tools and with email support. Advertisers with more extensive campaigns and budgets can receive strategic services, which include an account team of experienced professionals that will help them set up, manage, and optimize their campaigns.

For more information about Google search advertising opportunities, visit **[www.google.com/ads](http://www.google.com/ads)**

## Search engine basics

A search engine is a program that helps users find information on the Internet. An automated system sends out a **spider** to the web and collects site links for its database. When a user types in a keyword or combination of keywords, the database is queried and a results page with matching site links is delivered. A search engine is distinguished from a **directory** and a **portal**, because its pages are generated by an automated program rather than by human editors. Popular search engines include AltaVista, Ask Jeeves, Google, and Lycos.

**Spider** A program that automatically fetches web pages and feeds them to search engines. (It's called a "spider" because it crawls around the web.) Because most web pages contain links to and from other pages, a spider can start almost anywhere. As soon as it recognizes a link to another page, it goes off and fetches it. Large search engines have many spiders working simultaneously. Also known as a **crawler**.

**Robot** A program that runs automatically without human intervention. A robot is typically endowed with some artificial intelligence, so it can adjust to the various situations it may encounter. Two common types of robots are agents and spiders. Also known as a **bot**.

**Search optimization** Tactics and techniques that make it easier for spiders to find your page, contributing to higher ranking on a list of search engine results. Basic

optimization starts with listing relevant keywords in your metatags and building clear and descriptive words into page copy, title, text hyperlinks, and image file names. It's also important to design your site in a logical link structure and follow standard HTML conventions, avoiding the use of frames, dynamic URLs, Image Maps, and JavaScript for navigation.

**Directory** A compilation of websites reviewed and organized by human editors into useful categories and topics, similar to the organization of the Yellow Pages. Examples of directories are Yahoo!, About.com, and the Open Directory Project.

**Portal** A web page that works as a starting point for a user's session on the Internet. Portals typically include a directory of websites, access to web services and shopping sites, and search functionality powered by a search engine provider. Example of portals are AOL, Netscape, Yahoo, CompuServe, and EarthLink.

## Interactive ad formats

Text-based ads on search sites complement a broad selection of ad formats that encourage Internet users to take immediate action. The Interactive Advertising Bureau (IAB), a non-profit trade association devoted to the use and effectiveness of online advertising, offers standards and guidelines for many of the following dynamic ad formats, or interactive marketing units (IMUs).

**Banner ad** A graphic image, usually a GIF or JPEG, that can be placed anywhere on a web page, most frequently centered across the top. The tile ad is a smaller counterpart, typically grouped with other tile ads along a side margin. The standard banner ad is 468 x 60 pixels; the most common size for tile ads is 125 x 125 pixels.

**Expandable banner** A banner ad that can expand to as large as 468 x 240 pixels after a user clicks on it or after a user moves the cursor over the banner.

**Beyond-the-banner** Any advertisement that is not a banner, such as an interstitial or a pop-up ad.

**Button** A clickable graphic that takes the user to another page or executes a program, such as a software demo or a video player.

**Skyscraper** A tall, thin ad unit that runs down the side of a web page. A skyscraper can be 120 x 600 pixels or 160 x 600 pixels.

**Pop-up ad, also Pop-under ad** An ad that appears in a separate window above or beneath the user's current page. A pop-under ad is concealed until the top window is closed, moved, resized, or minimized. A pop-up ad is similar to a daughter window, but without an associated banner.

**Interstitial ad** An ad page that appears for a short period of time before the user-requested page is displayed. Also known as a **transition ad**, **splash page**, or **Flash page**.

**Daughter window** An ad that runs in a separate window associated with a concurrently displayed banner. In normal practice, the content and banner are rendered first and the daughter window appears a moment later.

**Content integration** Advertising woven into editorial content or placed in a special context on the page, typically appearing on portals and large destination sites. Also known as **web advertorial** or **sponsored content**.

**Floating ads** An ad that appears within the main browser window on top of the page's normal content, appearing to "float" over the top of the page.

**Shoskeles** An animated ad that moves across the browser, usually with sound effects. It animates only long enough to play a message before settling into a stationary ad on the page.

**Animated ad** An ad with movement, often an interactive Java applet or Shockwave or GIF89a file.

**Click-down ad, also Click-within ad** An ad that allows the user to stay on the same web page, while viewing requested advertising content. Click-downs display another file on the user's screen, normally below or above the initial ad. Click-withins allow the user to drill down for more information within the ad.

**Jump page ad** A microsite reached by clicking a button or banner. The jump page itself can list several topics, which can link to your site.

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