

Lesson no. 5: Google Adwords- PPC Advertising

DIFFERENCE BETWEEN SEARCH & DISPLAY CAMPAIGN

Consider the seven primary differences between search and display:

a) One is pull marketing. The other is push.

Search customers are coming to you. In most cases, they're saying, "I'm in the market for your product and I'm considering buying it from you." Frequently, they are even saying, "I want to buy your product right now." The customer is pushing and the marketer is pulling. In display, users are rarely in that frame of mind at the time a marketer places an ad in front of them. They are usually doing something else – watching a video, checking in & on one of their favorite social networking sites, surfing the web, researching, or something else. In this case, the marketer is pushing. The marketer is effectively saying, "I'd like you to consider my product" or, "I'd like to change the conversation a little (or a lot) and talk about my product."

b) Where are we in the funnel?

Search and display have their own centers of gravity in two different locations. Search is as close to the bottom of the funnel as possible for an entire channel. Display is near the top. It is perhaps best suited for creating brand and product awareness, though lots of direct response marketers have found performance success in display. More often the objective of display is and should be to widen the funnel – getting more consumers considering your product.

c) There is not much branding in paid search.

This is very closely related to number 2. However, it is important to point out that display has pictures, video (sometimes), and sound (sometimes). These are the usual mediums for creating a brand, and creating a brand is almost always done before customers come looking for you. And if all things are equal (especially price and perceived quality), the

consumer will almost always choose the brand they've heard of or seen before versus the one they haven't.

This is why display is so important to all marketers. Because branding and awareness are so important, it is where the majority of advertising dollars are spent.

d) A different type of auction.

Perhaps the three biggest successes in online advertising have been Google, eBay, and Overture. All of them were built around an auction, so it is no wonder as display currently emerges to a winnable channel, its pricing mechanism is an auction. Except the auctions for impressions are different. Search is a cached or hosted auction. Marketers specify in advance what they are willing to pay for a given keyword and that bid sits on the search engine's server. This means that Google (or other) controls the optimization via smart pricing and other means. In display and the emerging RTB auctions, the optimization is maintained by the buying technology. This gives buyers more control in display – although with more variables and more unknowns to manage, the channel needs it. The auction is better served as a market-clearing mechanism that lets buyers be in control; there are simply too many variables that fall outside of the actual media being bought for a complex market to try to do everything.

e) Supply and demand.

There are so many customers in the world that will go to a search engine and type, "I would like to buy product x." And of course, every marketer and product seller in the world would like to have more of those. There is and always will be scarcity around those kinds of customers, which is largely why search is so competitive and the keywords are so valuable (whether measured on a CPC or CPM). To create new supply in display, one of millions of publishers merely needs to add another page. Because an impression requires so little action from the end user, there is an abundance of supply. (In fact, as display improves as a channel, consumers will all likely see more relevant ads, and less of them.)

f) **Google's part in the story.**

Arguably, Google currently plays the most influential role of any player for both search and display. That assertion is less controversial in search given that Google.com is the publisher of search 65 percent of the time. However, it is shaping display significantly, though it plays a very different kind of role. In display, Google.com or Google-owned sites are very rarely the publisher; instead, it's trying to become the primary conduct for connecting advertisers and publishers. Google can't control the display market with the same ease or margin that it did search. The medium and large publishers and the large advertisers keep Google honest and competition strong.

g) **The role of data. With display, the data play has no limits.**

With search, the data play has the limits of Google's legal team and its fear of regulators. Data is the center of the display game. Much more could be said about the role of data in both mediums, but as Martin Le Sauter, CEO of Acquisio has said, "Data is the new creative." This is especially true in display. Methodologies of retargeting and user-based targeting are staples in display. Display cannot be successful without user-based targeting. Outside of keywords, search doesn't allow for much user targeting at all. In the future, using data across search and display – especially using the data from search to target display – is critical to success.