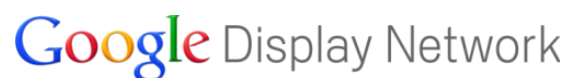


The CPA value of extending text ads to the Google Display Network



Background

In 2011 a section of the IPA Search Group discussed the results they were achieving with text ads on the Google Display Network (GDN). The GDN has always represented an intriguing possibility for search advertisers - it is the largest pool of ad inventory in the market (serving billions of impressions every day across hundreds of thousands of sites) but it is often hard to understand how it best performs. The Group therefore decided to investigate.

The IPA Search Group approached Google to understand the results - could we lift the lid to understand Text more fully. The team at Google gave the IPA access to anonymised data and analysis of how the GDN performs for text advertisers. Analysis of over 60,000 UK advertiser campaigns between January and June (H1) of 2011 showed interesting results. We found that using both contextual and audience targeting technologies GDN Text can be cost-effective and deliver post-click conversion volumes. We were able to benchmark performance by advertiser category and targeting type.

With growing interest in biddable display advertising, these results illustrate the opportunities that search marketers can offer advertisers. The skills of search marketers can go beyond search into other biddable areas.

Executive Summary

The key focus of the analysis centred on the CPA performance of Google's Keyword Contextual targeting and Remarketing technologies. With measurable comparisons between the two and also to corresponding Search campaigns, the results continue to support the belief that reaching users with relevance is key to achieving performance. Through a combined use of these targeting types, Search marketers have an opportunity to drive further ROI.

- **7% CPA** GDN Text Keyword Contextual has a median cost per conversion (CPA) 7% lower than Search in the UK.

- **55% CPA** GDN Text Remarketing has a median cost per conversion (CPA) 55% lower than Keyword Contextual.

Introduction

The Google Display Network reaches 93% of the UK internet population. Search marketers looking to extend the reach of their text ads can apply their expertise to biddable display. Marketers have the option to target not only by website content (Context), but also by user profile and interests (Audience).

Context Targeting Type:

Keyword Contextual Targeting	Selected keywords that match to relevant pages of content.
Placement Targeting	A selected website, or a subset of pages or ad units on a site.
Topic Targeting	All pages on the GDN that are related to a specific category.

Audience Targeting Type:

Remarketing	Re-engage with an audience who has visited your website before.
Interest Categories	Select your audience based on their interests.
Similar Users	Look-a-like technology that finds users similar to those on your remarketing list.
Demographic Targeting	Select your audience by their inferred age and gender.

For the date period analysed, Keyword Contextual targeting and Remarketing delivered the highest response rates, with the Keyword Contextual click-through-rate (CTR) 33% higher than the average GDN Text CTR. This is a trend consistent with previous months.

Keyword Contextual CPA and Search

Gauging the post-click GDN Text CPA in relation to Search is key to understanding the opportunity of extending search marketing to biddable display. Google's contextual technology enables advertisers to pick specific keywords and show their ads against highly relevant page content. For the CPA analysis, we included only advertisers buying both Keyword Contextual on the GDN and Search, on the same keywords, with the same creative and landing page.

For the first half of 2011, the median GDN Text CPA was 7% lower than Search, with GDN Text generating an average conversion volume equal to 40% of the Search conversion volume.

Industry Vertical	CPA (GDN Text v Search)
UK Average	-7%
Automotive	-6%
Business & Industrial Markets	-26%
Classifieds & Local	+2%
Education & Government	-8%
Entertainment & Media	-17%
Financial Services	-18%
Healthcare	-4%
Retail	-4%
Technology	+9%
Travel	+1%

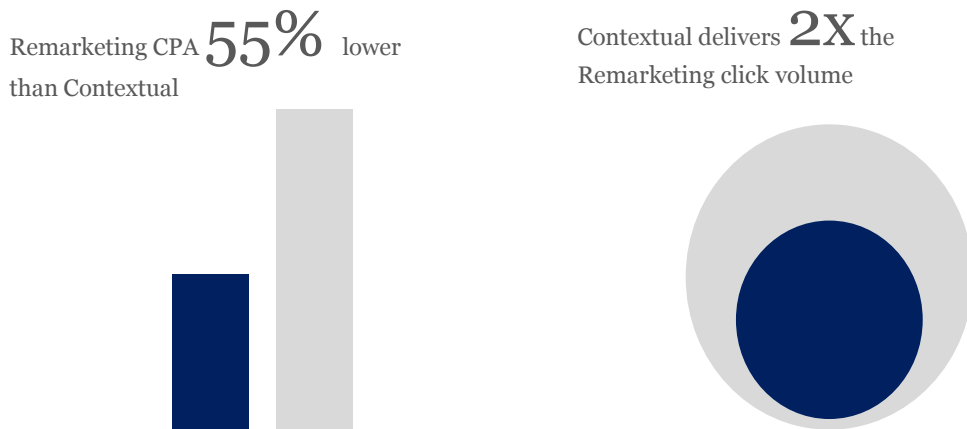
Source: Google UK, H1 2011

Industry verticals with more intense Search auctions had the cheapest GDN Text CPA compared to Search, especially Business & Industrial Markets. Most industry verticals, however, presented a lower or comparable CPA.

Remarketing CPA and Keyword Contextual

Remarketing is an effective way to reach an already engaged audience, generally delivering strong conversions at an often lower CPA. By delivering ads to customers who have performed a defined action (like visiting your site but not purchased, or browsed a particular product), Search marketers can employ the benefits of audience targeting and customised messaging simply using text ads.

Looking at advertisers using both Remarketing and Keyword Contextual targeting, the analysis showed that Remarketing proved to be extremely cost effective.



Source: Google UK, H1 2011

The median GDN Text CPA for Remarketing was 55% lower than Keyword Contextual. In view of fact that 97% of customers don't convert the first time they visit a site, Remarketing proves to be a cost efficient way to drive customers through the conversion funnel.

Google typically sees 84% of a remarketing audience within a month on the Google Display Network. However, given that Remarketing is still confined to a defined audience list, volume of conversions is most likely also constrained. Analysis showed that while the median CPA was lower for Remarketing, click volume was also lower by half.

Summary

Relevance is key. Showing the right ad to the right user at the right time delivers strong response rates. Coupled with low CPCs, especially in some industry verticals with intense search actions, GDN Text CPAs can be as cost-effective as Search.

Extending text ads to the GDN opens up audience buying to Search marketers. Targeting users through Remarketing allows yet more ways to engage users and at a lower CPA (remarketing CPA 55% lower than contextual targeting). Whilst contextual targeting provides 2x the remarketing click volumes.

We have seen advertisers achieve performance alongside their search campaigns and this analysis helps us understand how GDN Text proves relevant and cost effective. Through using both Remarketing and Keyword Contextual targeting, UK advertisers have achieved additional reach and cost efficiencies. Search marketers have a clear opportunity to scale their campaigns to the benefit of ROI.