SUASION RESOURCES INC.℠

FINANCIAL MARKETING REDEFINED

INCREASING THE EFFECTIVENESS OF CONTEXTUAL ADVERTISING

Overcoming the Intrinsic Problems of Content Match Advertising

www.suasion.com

INCREASING THE EFFECTIVENESS OF CONTEXTUAL ADVERTISING

Contextual advertising can drive large amounts of qualified traffic to a website and is typically less expensive than search engine traffic. Why then do many advertisers consistently avoid contextual advertising? The truth is that contextual traffic generally produces lower conversion rates and generates a lower return on investment than more expensive search engine traffic. We have developed an approach that reverses some of the problems inherent to content match in order to achieve better results.

Suasion Resources conducts Internet marketing programs for clients in all sectors of the financial services industry. Competition in this industry sector is fierce and popular PPC keywords are ratcheting up in price on almost a daily basis. Therefore, rather than simply give up on contextual advertising, we focused on developing a methodology to increase the effectiveness and efficiency of contextual campaigns. The resulting methodology has enabled us to increase contextual traffic conversion rates by as much as 67% while decreasing the cost per conversion by up to 68%. While our focus on the financial services industry presents specific challenges, the methodology we developed has applications in a variety of segments and circumstances.

Effective use of this methodology requires an understanding of the primary causes of the inefficiencies of contextual advertising.

An Unfocused Approach Often Does Not Reach Its Target

Contextual traffic is less expensive than search engine traffic because it is less targeted. Visitors viewing a search engine ad have independently formulated and entered specific keywords and are generally seeking what the advertiser has on offer. Contextual ads, however, appear simply because a visitor is viewing a site that contains certain keywords. Within this context, certain sites produce traffic of such poor quality that they can make a whole contextual campaign virtually worthless. Our methodology begins by identifying these sites and removing them from our campaigns in order to minimize loss.

There are several distinct practices that we believe should disqualify sites from consideration by pay-per-click managers.

Problem: **Inadequate Computer Analysis**

Description: AdSense publisher sites often serve ads that are not properly targeted to the audience.

Example: Financial keywords—e.g., stock, equity or insurance—are often used in posts or articles that have nothing to do with finance. These keywords may then trigger the display of financial services ads that users click randomly or out of curiosity. These visitors will convert far less often than visitors referred through a financial site.

Problem: **Industry Confusion**

Description: Many industries cover so many market segments that improper targeting is a common problem.

Example: An article about auto insurance might trigger ads for life insurance or long-term care insurance. Many readers who click on this ad will only scan the ad and will assume that they are about to view an auto insurance website rather than a life insurance or health insurance site. While some percentage of viewers might be interested in the information displayed, the vast majority of these clicks will be worthless.

Problem: **Excessive Ad Integration**

Description: Many Google AdSense and Yahoo Publisher Network (YPN) publishers design a site purely for the purpose of aggregating ad clicks. They match the fonts and colors of the site to the ads so that the ads will blend into the page content, or better yet, the navigation. As a result, many users click on an ad by mistake and will hit the back button as soon as they realize that they are being redirected to an advertiser's site.

Comment: While many consider this practice deceptive, it is condoned by nearly all web publishers, especially those who have no experience other than monetizing content sites with AdSense or YPN.

Problem: **Excessive Ad Integration with Images**

Description: Many AdSense and YPN publishers also use images to both draw attention to ads and make them appear as part of the site. In the case of rectangular ads, a series of small thumbnail images is placed directly to the left of the ad frame. It appears that each ad has a thumbnail to the

left of it. Because of this, less savvy users are led to believe that the ads are part of the site rather than served by Google or Yahoo.

Example: We recently encountered an Adobe Photoshop tutorial site that served ads with thumbnails placed to the left of them—the same format as the links to tutorials. The ads were also placed within the listing of tutorials, making them even more difficult to identify as YPN ads.

Comment: If the author of the site makes it clear that these ads are external links, these ads can draw quality traffic. In such a case, the user will consider the link a recommendation from the publisher and will be willing to seriously view the site.

Problem: **Ad Manipulation/Untargeted Ads**

Description: The most dangerous type of publisher is one who abuses the network by showing irrelevant ads. These publishers use hidden text, keyword stuffing or even page cloaking mechanisms to ensure display of the high-bid ads that often make the publisher several dollars per click. This type of site can generate thousands of dollars in illegitimate revenue for the publisher each day.

Example: We encountered a site that offered free HTML layouts for MySpace.com profiles. Each free layout included a link back to the site, creating massive viral traffic—over 100,000 impressions per day. The site manipulated users to click ads, thinking they were going to view more profile layouts. The ads being displayed were almost all high-bid financial services ads. . Several months later, this site is still running and serving the costly ads.

The traffic produced by sites utilizing the practices described above is almost always absolutely worthless. To ensure contextual advertising effectiveness, advertisers should eliminate these sites from their campaigns.

Excluding Inappropriate Sites From A Campaign

Google provides a tool that enables advertiser to exclude specific sites from a contextual campaign. It is located in the AdWords interface under:

Campaign Management > Tools > Site Exclusion.

This screen provides a drop down box with a list of campaigns. Selecting a campaign brings up a list of excluded sites and a text box to input additional sites.

In order to exclude sites from a campaign, however, an advertiser first needs to know where an ad will or has been appearing. Unfortunately, Google does not provide this information.

Building a List of Referring Sites

In order to determine where the contextual traffic came from, a list of referring URLs must somehow be created. In the case of a campaign that has been running for a period of time, the advertiser can build a list of referring sites using data from server logs or third party tracking software. If not, or there is no data available, the scripts provided later will provide necessary data.

Most of Google's content match traffic will come from the domain:

pagead2.googlesyndication.com.

Because the ad serving mechanism uses an inline frame, the referring URL is not the page on which the ad actually appeared. While confusing at first, this practice actually provides an easy way to identify specific clicks. The following example shows the information provided when the referrer data is fully displayed:

```
http://pagead2.googlesyndication.com/pagead/ads?client=ca-pub-
123abc&dt=123abc&lmt=123abc&format=300x250_as&output=html&channel=62340348
52&url=http%3A%2F%2Fwww.adsense-affiliate-
domain.com%2Frunning_your_business%2Fmanagement%2Fd981324129.brc&color_b
g=FFFFFF&color_text=000000&color_link=000000&color_url=295689&color_border=FF
FFFF&ad_type=text&ref=http%3A%2F%2Fwww.google.com%2Fsearch%3Fhl%3Den%
26lr%3D%26rls%3DGGLR%252CGGLR%253A2005-
36%252CGGLR%253Aen%26q%3Dneed%2Bto%2Bhire%2Boutside%2Bsales%26btnG%
3DSearch&cc=292&u_h=768&u_w=1024&u_ah=738&u_aw=1024&u_cd=32&u_tz=-
240&u_his=17&u_java=true
```

This URL is full of interesting data, but what's important is the highlighted text appearing between the strings "&url=" and the "&" following it:

```
http%3A%2F%2Fwww.adsense-affiliate-
domain.com%2Frunning_your_business%2Fmanagement%2Fd981324129.brc
```

This looks like a URL, but the special characters have been encoded to ensure that it is interpreted correctly by the browser and server. When decoded using the urldecode() function in PHP, the URL becomes:

```
http://www.adsense-affiliate-
domain.com/running_your_business/management/d981324129.brc
```

The decoded URL points to an actual site that the advertiser can visit and check for relevance. The advertiser can decide to either accept future traffic from the site or add the URL to the exclusion list.

Using Scripts to Analyze Google AdSense Contextual Traffic

The process of finding every visit from pagead2.googlesyndication.com, identifying the referring URL and extracting the URL of the page is a far too tedious task for any PPC manager to perform by hand. A simple PHP or ASP script will provide a list of URLs as the campaign runs.

A PHP Solution for Capturing Referring URL's. On a web host that is PHP enabled, the following code can be included in the landing page. Keep in mind that on most servers, the extension of the page must be ".php" rather than ".htm" or ".html." There must also be a file called "contextual-google.txt" in the same directory and it must be writeable by the script (set the permissions to 666 or 777 on UNIX systems).

```
<?php
$ref = getenv("HTTP_REFERER"); // Get the referring URL
$pos = strpos($ref, "pagead2.googlesyndication.com"); // Check the domain
if ($pos !=0) {            // If the click is from AdWords
        $pos = strpos($ref, "&url=") + 5;    // Parse out the real URL
        $pos2 = strpos($ref, "&", $pos + 1);
        $realref = substr($ref, $pos, $pos2 - $pos);
        $realref = urldecode($realref);    // Remove the URL encoding
        $fp = fopen("contextual-google.txt", "a");  // Write the URL to text file
        fwrite($fp, $realref . "\n");
        fclose($fp);

}


?>
```

Each time a person enters the landing page as a result of clicking on a contextual ad, the URL of the page where the ad appeared will be written to contextual-google.txt. A good way to view the data is to download the file and open it using Microsoft Excel. The data can then be sorted alphabetically to get an idea of how many visitors each site is referring.

An ASP Solution for Capturing Referring URL's. On a Windows hosting environment, it may be necessary to use an ASP version of the script. The following code should be inserted into the landing page. There also needs to be a text file in the same directory called "contextual-google.txt".

```
<%
Dim Ref, Pos, Pos2, RealRef
Ref = Trim(Request.ServerVariables("HTTP_REFERER"))
a = InStr(Ref, "pagead2.googlesyndication.com")
If a <> 0 Then
        Pos = InStr(Ref, "&url=") + 5
                Pos2 = InStr(Pos, Ref, "&")
        RealRef = Mid(Ref, Pos, Pos2 - Pos)
        RealRef = UnEscape(RealRef)
        set fs = CreateObject("Scripting.FileSystemObject")
        set file = fs.OpenTextFile(Server.MapPath("contextual-google.txt"), 8)
        file.WriteLine(RealRef)
        file.Close()
End If
%>
```

Each time a person enters the landing page as a result of clicking on a contextual ad, the URL of the page where the ad appeared will be written to contextual-google.txt. A good way to view the data is to download the file and open it using Microsoft Excel. The data can then be sorted alphabetically to get an idea of how many visitors each site is referring.

More Advanced Tracking Methods. Experienced PHP or ASP programmers may want to create more advanced versions of the scripts illustrated above. A version using an SQL database would be quite useful. Combining this with a conversion tracking script would give even more insight into the effectiveness of a contextual campaign. It will be interesting to see how intricate these scripts become in the future.

Tracking Yahoo's Content Match

Tracking clicks from the Yahoo Publisher Network is possible, but there are several obstacles that limit the value of the data collected.

- **No Exclusion Tool.** Yahoo provides no option for excluding specific sites from a campaign. Therefore, the only reason to collect data is to obtain insights that enable an advertiser to determine whether using Content Match is a viable option.
- **Yahoo's Content Match Distribution Network**. Like Google's AdSense, the Yahoo Publisher Network can be joined by anyone with a website. All YPN traffic originates from the domain ypn-js.overture.com. Most of the contextual traffic, however, is delivered by Content Match distributors—major partners of Yahoo's such as CNN and MSN—that handle their own ad serving. As a result, there is no uniformity among referring URLs.
- **Multiple Distribution.** Yahoo listings are also distributed through several other advertising networks. The problem with these networks is that they are often lenient about which ads to serve on any given page, if indeed they qualify the ads at all.

When it comes to Yahoo, the best way to decide whether to continue contextual advertising is traffic performance. While proper tracking and analysis is crucial to any campaign, extra diligence is needed to overcome the problems inherent in Yahoo's Content Match network. This is especially true when dealing with campaigns with high click prices.

What to Expect

The success of this methodology in improving the quality of content match traffic depends on several factors.

Campaigns with high click prices are most likely to see a marked decline in costs. There are thousands of webmasters using AdSense and YPN who focus on aggregating clicks. There are even published lists of high paying keywords to target. With this type of

competition, there are bound to be plenty who are willing to do whatever it takes to get their ads clicked, even if it means coming close to committing fraud.

For those with smaller budgets and lower priced keywords, issues of poor targeting will be more common. Although these advertisers will most likely eliminate fewer sites from their campaigns, the savings will make a welcome difference for an advertiser with a modest budget and tight profit margins.