

Advertising on the Web

Case Studies



Case Study

- FutureLearn run a large international education website containing LOTS of web pages.
- Can you estimate how much they could earn in advertising revenue?
 - What information would you need?
 - About Future Learn?
 - About advertising services?

PAY-PER-CLICK Advertising Model

- Targeted advertisement based on two effectiveness measures:
 1. **Click-Through Rate (CTR)**: specifies the proportion of ads that the visitors actually clicked (how often visitors click on the ad)
 2. **Conversion Rate**: it specifies the percentage of visitors who took the desired action.
- AdWords
 - Google programme allowing advertisers to purchase CPC-based advertising that targets the ads based on the keywords specified in the users' search queries
- AdSense
 - Google programme for website owners to display Google's ads on their websites and earn money from Google as a result.

Example of Ads in Google Search

Google search for "new tv" showing results. The search bar contains "new tv" and the Google logo. Below the search bar are tabs for "All", "Shopping", "News", "Images", "Videos", "More", "Settings", and "Tools". The results show "About 13,870,000,000 results (1.13 seconds)".

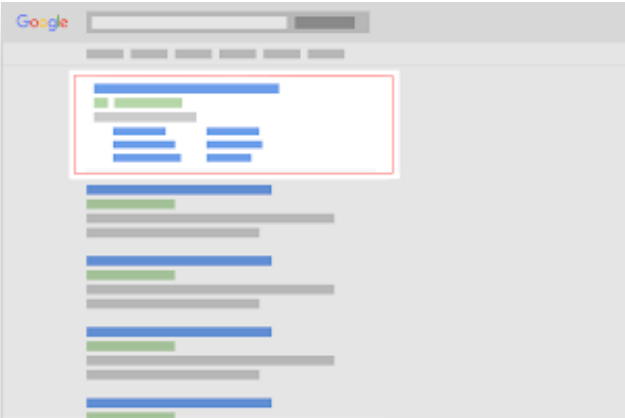
See new tv

Product	Price	Retailer	Rating
New 2018 Samsung 55"...	£1,609.00	Samsung UK	★★★★★ (576)
Samsung UE55NU7100...	£495.00	Amazon.co.uk	★★★★★ (782)
Sony KD-77A1 OLED 4K HDR...	£9,999.00	Sony Centres D...	
85" SAMSUNG QE85Q900...	£14,999.00	Currys	★★★★★ (19)
LG OLED55B8SL...	£1,289.00	Amazon.co.uk	★★★★★ (563)

Claim A Samsung Galaxy Note9 | When You Buy A Q9F QLED TV
www.samsung.com/QLED+Mobile
Order In The Next 3 days To Get Guaranteed Delivery Before Christmas! 360° Design. Bold Contrast. The Samsung QLED TV · Samsung QLED Picture · Samsung QLED Design · QLED - The Perfect Fit

TV Deals at Currys | Free Delivery On All Orders
www.currys.co.uk/Currys/TV-Deals
★★★★★ Rating for currys.co.uk: 4.4 - 91,226 reviews - Order accuracy: 95-100%
Great Deals On TVs. Free Next Day Delivery And 5 Year Warranty Available.

Televisions - 4K HDR TVs, Smart TVs, LED TVs | Currys
<https://www.currys.co.uk/gbuk/tv-and-home-entertainment/televisions-301-c.html>
Our experts are from all corners of Currys PC World, from our buyers to our staff. ... Look out for Smart TV features that provide access to the best content the internet has to offer, and 4K Ultra HD TVs including OLED and QLED TVs for the latest in picture quality. You'll find a ...
[TVs](#) · [4K ultra HD TVs](#) · [OLED TVs](#) · [Samsung TVs](#)



Creating an AdWords Ad

Home Campaigns Opportunities Tools and Analysis Billing My account

Keyword Planner
Add ideas to your plan

Your product or service
rental real estate in Boston Get Ideas Modify search

Targeting ?

- All locations
- All languages
- Google
- Negative keywords

Customize your search ?

Keyword filters

- Avg. monthly searches ≥ 0
- Avg. CPC $\geq \$0.00$
- Ad impr. share $\geq 0\%$

Keyword options

- Hide keywords in my account
- Hide keywords in my plan

Include/Exclude

Ad group Ideas **Keyword Ideas** Download Add all (52)

Ad group (by relevance)	Keywords	Avg. monthly searches ?	Competition ?	Avg. CPC ?	Ad impr. share ?	
Keywords like: Real Estate B...	real estate boston, real estate...	12,500	High	\$1.23	0%	»
Ma Real Estate (18)	real estate boston ma, real es...	6,050	High	\$0.94	0%	»
Rentals Real (21)	rental real estate, real estate r...	8,870	Medium	\$0.51	0%	»
Estate Massachusetts (17)	real estate massachusetts, re...	1,480	High	\$1.00	0%	»
Sale Real (25)	real estate sales, real estate f...	22,800	High	\$0.53	0%	»
Listings Real (27)	real estate listings, real estate...	43,140	High	\$0.57	0%	»
Estate For Rent (26)	real estate for rent, rent real e...	4,010	High	\$0.54	0%	»
Search Real (9)	real estate search, search real...	6,570	Medium	\$0.56	0%	»
Keywords like: Apartments Fo...	apartments for rent in boston, ...	58,830	High	\$1.11	0%	»

Opportunity Cost

- Calculate the missed opportunity cost (forgone revenue)

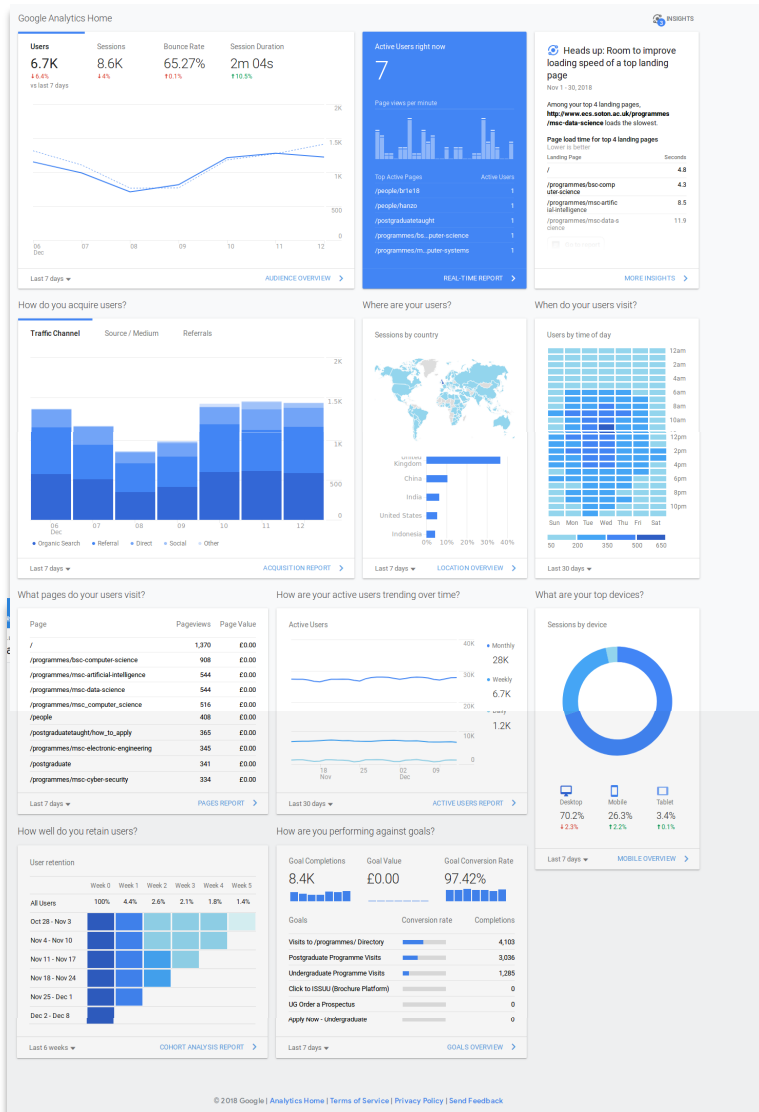
of people searching for a specific keyword \times engine share (Google \approx 80%) \times expected click-through rate \times average conversion rate \times average transaction amount

- E.g. 10,000/day \times 80% \times 10% \times 5% \times \$100 = \$4,000/day

Challenge to advertisers

- Keyword choice
 - This is the most critical
 - Market efficiencies: high CTR words have high prices
 - What matters is the cost effectiveness: the ROI or ROA
 - E.g., plurals get more clicks and more conversions than singulars: “Diamonds” more valuable than “diamond”

ECS Homepage Report for 1 day



- Google Analytics usage statistics
 - 1k downloads / day
 - 1000 impressions / day * 1% CTR * \$0.1 CTC * 30% Adsense payment rate = \$0.30 / day = \$100 / yr
- UoS “core website”
 - 24M visits per year
 - 66k downloads / day

Reports

- [Harvard Business School industry note: Paid Search Advertising](#)
 - This study analyses the impact of a web advertising campaign on a number of restaurants.
- [How much money can I make from AdSense with 1000 visitors per day ?](#)
 - Quora answers on the topic