



[Home](#) » [Help](#) » [How To Run An AdSense Campaign](#)

How To Run An AdSense Campaign

12 February 2007

Recently, we spent a few months conducting a little experiment serving advertisements on several of the sites we manage using Google AdSense. In this article we release the results of this research, including a simple formula to estimate the revenue your site can generate for you.

Making Sense of AdSense

If you've been on the web for any length of time, there's a fairly good chance you've come across advertising that shown in the example below. These adverts are served by Google AdSense, and when you click on the ads both Google and the site hosting the ads earn revenue.

Free Telescope Catalog Low prices on dozens of telescopes at Orion's web site. Advertise on this site	Celestron Telescope At BizRate's "Excellence" winner for Superb Service & Dealer Prices. Ads by Google
--	---

Google has fairly sophisticated technology to maximize the relevance and revenue for these ads, while providing advertisers with the best possible return on investment. We're not going to go into the details of this, except to say that you can more or less rely on Google to choose good ads for your website.

Terminology

When you start investigating AdSense for your website, you're going to come across some fairly, erm, creative (read: confusing) terminology. In brief, here are the most important terms you'll need to understand:

- **Page Impressions:** number of times ads are displayed on a page.
- **eCPM (Effective Cost per 1000 Impressions):** Average revenue earned per 1000 impressions. This is the figure used to choose the most profitable ads. Some ads may be paying per click and some per 1000 impressions but you can convert both types to a eCPM value to compare them fairly.
- **CPC (Cost per click):** Average amount earned per ad click.
- **CTR (Click through rate):** percentage of impressions which resulted in a click-through.

AdSense uses the term 'cost' in its acronyms for CPC and CPM to be consistent with an advertiser's view of the advertising system, since they are *paying* for the ads. As you are earning money from the ads, these figures actually represent revenue for you.

How much can I earn?

Let's cut to the chase. Most people want to know if it's going to be worthwhile to put ads on their site, but usually the response they get is "it depends". This is partially because there are so many factors which ultimately determine what you can earn, but also because it is against the AdSense terms of service to reveal your account statistics.

We can, however, make some estimates based on our experience with AdSense. That's why we did an experiment hosting some ads on several of the sites we manage, all of which might be considered 'typical' sites. We found an acceptable CTR to be around 2% (+/- 1%), and CPC around 15c (+/- 10c).

The formula below uses these figures to allow you to estimate the revenue you might generate based on the number of visits your site gets. We found that 1 page impression approximately equals 2.5 visits reported in webstats (awstats). Google reports amounts in USD, so the exchange rate needs to be included.

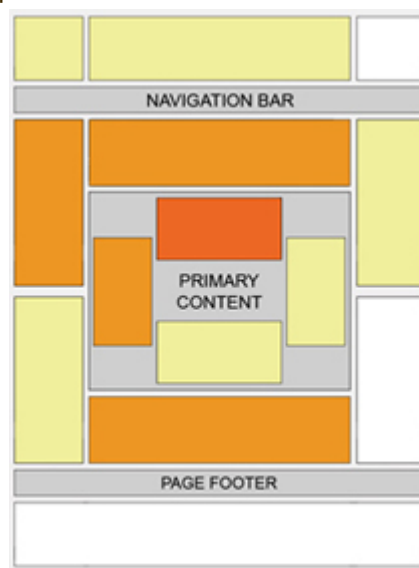
```
revenue(t) = impressions(t) * CPM / 1000 * Ex(USD)
            =~ visits(t) * 2.5 * CPM / 1000 * Ex(USD)
            =~ visits(t) * 2.5 * CTR * CPC * Ex(USD)
            =~ visits(t) * 2.5 * 0.02 * 0.15 * 1.2      (+/- 80%)
            =~ visits(t) * 0.009                      (+/- 80%)
```

So it works out, very roughly, to 1c per visit. That doesn't sound like much, but the beauty of this business is it runs 24/7 and scales almost perfectly. If you have 100 visits/day that's \$1/day; 1000 visits/day = \$10/day; 10 visits/day = \$100/day. Fortunately, on the web your expenses don't scale in a similar fashion!

Tips for your AdSense campaign

Okay, so that's the theory. Now for some tips for running your AdSense campaign.

- Position, position, position. Placing your ads where they can be viewed is a basic fundamental. Google provides the following heat-map of a typical website which shows the best places for ads.



- Merge the ads into your site. Visitors quickly develop ad blindness to ads which stand out against your website. Instead, remove ad borders and use the same colours, fonts and font sizes as the rest of your site so that they look like just another part of the site. Your visitors will actually be more likely to read them!

- Keep the site on-topic. Contextual ads like those served by AdSense worked best on niche sites. If you write about everything, your ads could be for anything - and that isn't going to produce a high CTR.
- Don't click your own ads! This is against the AdSense terms of service, and is relatively simple for Google to detect. If you do this, your account will be closed pretty quick smart.
- Use images with text ads. Instead of displaying graphic ads, which usually reduces the number of ads you can display, show text ads but put graphics around them (see the example below). This combination has proven to produce a good CTR.



- Track your success. AdSense provides good statistics data which you can correlate to changes in your advertising campaign to determine what is and isn't working. For advanced analysis, AdSense provides custom or URL-based channels to isolate statistics data.

Copyright © Sunburnt Technology, ABN 76387361812

[terms of service](#) | [server load](#) | [server status](#)

[Sunburnt Technology](#) | %{unsubscribe} %{ox_beacon}