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Effects of Content on Google Ad Success: The Case of Icelandair

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Declaration of Research Work Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

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Signature

Abstract

The purpose of the following study is to create a framework helping Icelandair determining the types of ads and content their Google Ads should possess in order to maximize their effect and efficiency. This company was chosen as a support for multiple reasons. Firstly, Icelandair is a successful and growing company, in the need of insights in order to compete more fiercely in the airline industry. Then, their search marketing strategy has been aimed at achieving presence on all media, but they want to change it into a real proactive marketing tool. The study is conducted using data from the Icelandair French AdWords account. Ads running and unchanged over the period of the 1st of September 2015 to the 1st of April 2016 are gathered and analyzed (128 ads). The analysis allows to categorize the ads. The ads present different levels of “branding”, ranged between low, medium and high; and different levels of “promotion”, ranged between none, low and high. This determines the relation between branding, promotion, and the success of an ad. The ads are also categorized by their content, such as the presence of “questions”, the presence of “numbers”, and the presence of a “call to action”. A regression analysis is then used to determine the relation between those factors and the success of a Google ad, measured with its “Click-through-rate”. The results of the study indicate a positive relation between the level of branding and the success of an ad. The same goes for the call to action. Results are more mixed when it comes to promotion. When all together, promotional ads analyzed seem to have a negative relation with ad success, and when taken aside, it revealed that the presence of numbers in promotion oriented ads had a positive relation with its success. However, the presence of questions didn’t affect the success of ads. The reason for the negative relation between promotion oriented ads and their success seemed to be that they were set in a more competitive environment than branding oriented ads.

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1 Introduction

The launch of search engines such as Yahoo, Ask and most of all Google, in the last decade of the twentieth century, marked the beginning of the transformation of the World Wide Web into the Internet as we know it today. Ever since its entry to the large audience, the Internet has seen its content expand drastically, an endless growth up until now, and more websites and pages created every day. The search engines, more than roaming and finding the pages requested by the Internet users, classify those pages with unique algorithms according to quality, relevance and demand, for the users.

Google was the first search engine to incorporate a system of pages ranking into its system, and developed the service and software before its launch. At that time, no company was interested, nor even believed in the page rank system. Today, similar algorithms are run by every search engine, and even if they evolved and present some differences, this mode of web search is the most commonly used. It has proven to be the most efficient way to retrieve web pages so far, and it's only normal that its first developer, Google, is the biggest search engine to date. Indeed, Google is the preferred search engine of the citizens of the world, with approximately a billion and a hundred million unique connections estimated every month, representing 78% of the global search (Meyer D., 2013). Google is thus standing far in front, before Bing ranked second, and increasing the number of searches by approximately 10% every year. All of the modern airlines are present on the Internet, bringing the competition fiercer. In order to survive and be visible, smaller companies such as Icelandair need to show themselves, and differentiate from their competitors. They have to use the tools they dispose of to their full extent, and especially with mainstream tools such as the Google search pages. They have to stand out, inform the customer, and be precise on their advantages over other companies and offers.

Based on their page rank system, Google created the AdWords service in order to help companies and marketers prevail over the competition. By allowing marketers to sponsor text ads and display banners and featuring them at the top of each search, Google created a powerful marketing tool, which changed entire business models, became a reliable marketing channel for companies, and Google's first source of revenue. According to EveryMundo (2015), 20 to 30 percent of the Internet users searching for flights click on the Paid-Search results, or Google Ads. Despite being a tool bringing consequent

revenues, Icelandair, in Continental Europe, used Google AdWords to be consistent and present across all media. In September 2015, Icelandair decided to take the google AdWords tool a step further, by creating a position to manage the AdWords account, to gradually transform it into a proactive tool, and use it at its full potential. Icelandair then formulated the need of a deeper understanding of the AdWords tool. This thesis can be a real advantage to Icelandair, and give them insight on what can be used in order to boost their AdWords strategy.

Even if almost all businesses online make use of the Google AdWords service, there are still questions unanswered. Most of the studies conducted to this day are treating and seeing the matter on the advertiser's perspective (Haans & Raassens & van Hout, 2013). For instance, very little is known and written about what makes a good or efficient Search ad, and the techniques to make the potential customers click on the ad. Indeed, even though Search Engine Marketing is becoming more and more common to advertisers, the precise factors leading to successful campaigns remain obscure, being ignored by academic researchers (Abou Nabout & Skiera, 2012). This gap in information, which alongside other factors, creates inefficiencies in airline web-based marketing strategies (Tsai *et al.*, 2011) leads to the need of research, the creation of a model, in order to make a stepping stone for modern marketers and further research in the domain of Search Marketing. In 2011, Rutz & Trusov made an attempt at creating a model based on the consumers perspective and the types of content in search ads, but isn't adapted to the airline industry and Icelandair. In 2012, Vries *et al.* created a model to measure the success of social media posts, sorted by content. It was later taken and adapted to the Icelandair case by Sorensen (2015). This study will take inspiration and be based on those three models, as well as some literature, to create a new model .To investigate, it is fundamental to dig into the AdWords product and offer. This will be done through the Icelandair AdWords account, which will serve as a support, and a funnel, tackling the issue with the tourism and airline industry.

In its quality of leader Icelandic airline on the global market, and more than seventy-five years of experience, Icelandair seems to be a perfect model to conduct the research on. Growing by more than fifteen percent every year, it is undeniable that Icelandair has been using the media they could dispose of to a good and optimized extent, ranging from offline traditional channels such as newspapers and public relations, to social media and Search Marketing.

1.1 Structure of the thesis

This thesis will be divided into seven chapters. The first chapter is the brief introduction to the reasons of the research, as well as this structure. The second chapter will introduce the Icelandair Company while the third chapter will dig into the concept of search engine marketing. The fourth chapter gives an overview of the literature previously written on the subject researched. The fifth chapter describes the adapted and hypothetical framework, as well as the methodology used to gather the data, and the types of data that were used to achieve the thesis. The sixth chapter displays the results of the study, discusses the results and their limitations. Finally, the seventh chapter concludes the thesis.

2 Icelandair

The following chapter will give an overview of the Icelandair brand; starting with its situation within the Icelandair Group, then the brand itself, the services provided and their goals. The objective of this chapter is to detail the Icelandair background, in order to understand the brand to its very core, and justify the approach and key importance of certain points further in the study.

2.1 Icelandair Group

Icelandair is an Icelandic airline company, owned by the Icelandair group. The Icelandair Group is composed of 9 distinct companies, operating in the airline and tourism sectors (Icelandair Group, 2016).

The first one, Air Iceland, offers domestic flights in Iceland and gateways in Greenland. Icelandair Cargo is a freight carrier, leasing aircrafts to offer quick logistic services to its clients. Loftleiðir Icelandic is a company in charge of designing solutions for the aircrafts, crew, maintenance and insurance, in addition to full charter solutions. IGS provides ground service and passengers handling at the Keflavik International airport. Fjarvakur offers the financial services needed by Icelandair, such as revenue accounting, management reporting, credit management, or HR processes. Icelandair Hotels is a premium hotel chain, addressed to both tourists and business travelers. Iceland travel is the largest tourism service provider in Iceland, and a member of multiple tourism associations across the globe, for offering high quality services for leisure travelers and professionals. VITA is a travel agency that offers tours abroad to Icelanders, by taking advantage of partnerships with Icelandair. Finally comes the cornerstone of the group, around which every other company is articulated: Icelandair, the international airline (appendix A).

2.2 Icelandair

Icelandair is the market leading international airline in Iceland. It was founded in 1937 in Akureyri under the name of Flugfélag Akureyrar. It is after the merge with the company Loftleiðir in 1979 that the company became today's Icelandair (Icelandair, 2016). The headquarters are located in Reykjavik, Iceland, at the Reykjavik Airport. Icelandair currently offers flights to 43 gateways, from which 27 are located in Europe and 16 in The United States and Canada. The uniqueness of the business offer comes from its very

geographical location. As Björgólfur Jóhannsson, President and CEO stated (Icelandair Arsskryla, 2016), Iceland's geographical position plays a key role in the future development of the Route Network. Indeed, Iceland is situated in the middle of the Atlantic Ocean, between Europe and North America, giving Icelandair the opportunity to differentiate from the competition and offer a unique product.

The whole Icelandair operating system is based on the International Keflavik Airport as their hub. Each plane is used to its maximum capacity, thanks to the permanent rotation system used, with flights leaving Iceland early in the morning, getting to the destinations, back to Iceland in the afternoon, off to another destination and back to Iceland during the night. This is made possible because of the shorter distances. The fleet is currently composed of 24 Boeing 757-200 and 757-300, being efficient and economical aircrafts. The particularity of the aircrafts is that they are all named after Icelandic volcanoes. This is a way to connect with the passengers, and make them discover Iceland, following their motto "Refreshing Icelandic experience" (Icelandair, 2016). In 2015, Icelandair transported 3 072 500 passengers, an increase of 18% compared to 2014 (Icelandair Arsskryla, 2016). Icelandair counted 1678 employees at the end of 2015, based in Iceland, but also different countries, where the company operates. In 2015, Icelandair net profits went up to USD 111.2 million, an increase of 42% over the past year. Compared to other airlines, and especially direct competitors for the transatlantic market such as Air France, Delta, Lufthansa or Air Canada, Icelandair operates on a smaller scale. In order to be competitive, and not shaded by bigger airlines, Icelandair need to differentiate themselves. More than just numbers, Icelandair is firstly and above all a service company, special in its own way. The next section will help understand why Icelandair is so particular, and why it successfully competes in the airline market.

2.3 Service

In flight, the customers have access to three different classes of service (Icelandair, 2016).

The Economy class is the entry product. Passengers can enjoy the comfortable leg-room of 81cm, an individual entertainment system, complimentary pillows and blankets on demand and complimentary non-alcoholic refreshments.

The economy Comfort class is the middle range product. Besides the services granted to the Economy class, it offers 3cm greater legroom, complimentary headphones, a universal

power outlet and complimentary meal and beverages. A gate to gate access to Wi-Fi is available for purchase on all flights.

The saga Class is the most luxurious service Icelandair offers. The legroom is 101cm and the seats are larger. Noise cancelling headphones are complimentary, as well as hot towels, bigger pillows and blankets as well as all meals and beverages. The Saga class passengers get a free access to Wi-Fi for two devices. By booking an Economy Comfort ticket, passengers can enjoy an access to the airport lounges, and business check-in.

The in-flight magazine is called Icelandair Stopover. It has two sides. The first side, being the Icelandair Stopover, contains articles about events coming up in Iceland, feasible activities during the period of stay, interviews with Icelanders, gastronomy and much more. It is a good mean to give the travelers a first taste of Iceland, and ideas to fill up their travel. It also informs the passengers about the Icelandair brand and services, as the Wi-Fi coverage, in-flight entertainment program, or the stopover product. The second side is the Saga shop Collection. It showcases the selection of products you can purchase through the Icelandair duty free store, from perfumes, clothing, electronics or jewelry to day trips consumable during the passengers' stay in Iceland. An additional leaflet, the Saga Shop Kitchen, lists the different meals, snacks and beverages that can be purchased in-flight, at any time.

Icelandair offers a loyalty program for frequent flyers, the Saga Club. A membership allows you to collect Saga Points, which can be used to get discounts or even free goods from the Saga Shop, as well as a class upgrade, plane tickets, car rental or hotel nights. Saga Club members can earn points by travelling with Icelandair, booking hotel nights with partner hotels and booking websites, or partner car rental companies. The most frequent flyers see themselves granted a silver or gold membership. It gives them more privileges over normal members, and regular passengers. The perks are an access to airport lounges, excess baggage, limousine service, garage parking and many more.

The unique selling points of Icelandair are numerous. They promise a “refreshing Icelandic experience” to their customers. They are in touch with the Icelandic nature, naming their planes after Icelandic volcanoes, and proposing a large choice of Icelandic products on board, as well as Iceland focused entertainment for the customers to take a look at if wanted. They have more than 75 years of experience, and it helps to build trust with the customer.

The major selling points, when it comes to transatlantic flights, come from the Icelandair Stopover product. It allows the customer flying from Europe to North America, or vice-versa, to make a stopover in Iceland, up to seven days, without any additional airfare. It has been put at the front of the stage for the past six months in a large marketing campaign, and has given very positive returns from the customers. Added to the free stopover, two pieces of luggage are included in transatlantic tickets.

It is now clear that Icelandair has a unique way of seeing service and a mantra that prevails over all the company actions. Their unique selling points give them an advantage and differentiates them from their competitors. Indeed, those differences in service, which make Icelandair a premium and different airline, need to be brought to the front of the stage in advertising, to help customers see their difference, and influence them in making the choice of Icelandair over another airline. Even if their strategy pays off, Icelandair doesn't plan on stopping there, and continues to evolve with new goals and objectives.

2.4 Icelandair goals

Icelandair is a company growing fast compared to its competitors in the airline industry. Its adaptability and flexibility allow it to increase its sales and market share. It is now facing new challenges, and overcoming them is Icelandair's priority. As stated by the company, their vision is:

“To unlock Iceland’s potential as a year-round destination, to strengthen Iceland’s position as a connecting hub and to maintain our focus on flexibility and experience.” (Icelandair Arsskryla, 2016)

The first part of the vision is focusing on increasing the loading factor of the planes as well as increasing the number of flights for both Iceland and the transatlantic flight product. In the different markets where Icelandair is present, such as the American market and especially in the European market, this challenge is closely linked to increasing their brand awareness. A powerful tool to do so is the Google search engine itself. Being the most used Internet search engine, it is crucial for Icelandair to be the most visible possible, while competitors also use the Google search engine for marketing, and propose similar products. The difference in products, such as the free stopover and the free additional piece of luggage on transatlantic routes for instance, need to be displayed, and thus make customers aware that Icelandair is different, offers a special service, and is an option to seriously consider.

For the Markets of Continental Europe, being France, Germany, The Netherlands, Belgium and Austria, some employees have been assigned, besides their other functions, to monitor and control the AdWords accounts, in order to track the performance, and improve it. It is only recently that a position has been created to manage these accounts to their full extent, and coordinate them on a daily basis. Thus, new opportunities are opening for Icelandair, which will be able to strengthen its presence on the Google search network.

The clear aim of the Google Search Network is to raise awareness over the company and drive traffic to the website, where the most part of the sales are operated. Even though there are no defined objectives put on paper, the following objectives could be formulated concerning Google AdWords from conversations with the Marketing team (Hákon Ágústsson, project manager at Icelandair, email, 2016). The obvious goal for search marketing campaigns is to develop and increase the sales, by providing an access to the online sales platform accessible every day at any hour. Indeed, Search marketing can be used in order to be consistent with the marketing strategy, and assure the presence of the company on as much channels as possible. Icelandair wants to use search marketing to display its services on both organic and paid Google listings. Search marketing is used by Icelandair in order to raise awareness over the Icelandair brand, competing in the market of flights to Iceland, but also transatlantic flights. According to Grímur Gíslason, the marketing manager of the Continental Europe Branch, the awareness of the transatlantic flight product and stopover is low in the European markets. Search marketing can improve this situation and make Icelandair gain market share. By being present on the search lists relevant to their target customers, Icelandair will generate leads to the website. By displaying the offers and information pages, the search engine could play a role in educating the potential customers to the service specificities of the company. Finally, thanks to the possibilities of the AdWords service, Icelandair would use search marketing to retarget the potential customers who came to the website.

The thesis can potentially help determining where Icelandair stands on achieving some of those objectives, and if successful, creating a framework for search engine ads efficiency; meaning helping Icelandair increase the efficiency of its Search Marketing tool. But before increasing efficiency on a media such as the Internet and the Google Search Network, it is crucial to understand the very nature and structure of it, as well as the Google AdWords tool.

3 Search engine Marketing

The following chapter will give a brief overview of search engine marketing, starting with the history of search engines, the grounds covered by Icelandair online, and the structure of Google AdWords. This chapter will give the background needed to understand certain points of the research, which will come up in the next chapters.

3.1 Short History of Search Engines

The concept of search engines was born in 1945, soon after the Second World War. The journalist Vannear Bush, in the paper he was writing for the Atlantic Monthly, published an article urging the scientists of that time to create a body of knowledge common to mankind, in order to store every bit of information the human race has, and protect it from destruction. From then on, researches started, and more discoveries were made, allowing, 45 years later in 1990, the launch of Archi, an online archives retriever. During the following years, many search engines emerged, such as Excite, Aliweb, World Wide Web Worm, Jumpstation or RBSE Spider in 1993, relying on simple systems to find what users were searching for. However, it was extremely hard to find what users were searching for if they didn't have the exact title. In 1994, Yahoo search was launched, making a great step to user friendliness and efficiency (Mehta & Saberi & Vazirani & Vazirani, 2007). In 1996, some engineers started to work on the PageRank technology, classifying the pages by the relevancy of them compared to the keywords the user typed in the search bar. Those same people launched Google in 1998, improving their search engine to become the first used search engine we know today. The Internet was a revolution in the business sector, and changed business models forever (Varadarajan & Srinivasan & Vadakkepatt & Yadav & Pavlou & Krishnamurthy & Krause, 2010). The Google AdWords service could be born only because of the evolution of the Internet and the birth of the Google PageRank system, and comes on top of it as a service extremely useful to companies. Today, it is almost unimaginable for a large scale company to not use the Internet. Icelandair has had an efficient handling of the online technologies, using the Internet tools to an optimized extent. The next section will display the Icelandair online tools catalogue, in order to understand the role of each one of them.

3.2 Icelandair Online Activities

Icelandair has large and diversified scope when it comes to their presence online, being for sales, marketing, or information. Each channel serves a different purpose, and has its own goals. This chapter will provide information on the functions of each channel, including the role of Google AdWords.

The Icelandair website, being their biggest support, is used to give information concerning the service, check-in conditions, or the company itself. It is mostly used as the principal platform of sales for the brand, as most of the purchases are made on the Internet through the website.

Icelandair uses different Social media to communicate with its customers. The brand communicates in many languages, corresponding with the languages of its main markets. Those are Icelandic, English, German, French, and Dutch.

Their biggest social media platform is Facebook, founded in 2004 by Mark Zuckerberg, and joined by Icelandair in 2007 (Sorensen, 2015). As of today, the Icelandair Facebook page counts 330 000 fans, and updates their posts regularly in order to create a dialogue with the customers. This page, as other social media, is used to be a personalized link between the brand and the end customer, receiving praises or complaints, and being a direct way to contact Icelandair quickly, for any issue. Instagram, the social medium dedicated to pictures belonging to Facebook, opened its doors in 2010. Icelandair counts 148 000 followers, and is a great display, allowing to show the daily life of the airline, as attractive pictures of landscapes. Twitter is a medium with a particular way of functioning, as the text is limited to 140 characters. It was launched in 2006, and joined by Icelandair in early 2009. The 49 000 people following Icelandair can discover pictures, offers, videos and news concerning the airline, and can discuss with the community managers about their personal issues and queries. The broadcasting website, YouTube, owned by Google, was launched in 2005. It allows its users to put videos online, to have it to the whole world to see. The Icelandair channel counts 5 400 subscribers, and displays all their promotional videos. In total, they count 7 million views, since they joined in 2006. The aim of social media is to give the customer an opportunity to have a direct discussion channel with the brand, for matters such as trouble with the flights, or compliments on the service. This is a really helpful tool for problem solving, as well as evaluating the popularity of the brand.

Icelandair uses email to communicate with some of their customers. In order for customers to receive Icelandair emails, they need to be a part of the Saga Club, or subscribe to the newsletter. This is accessible after having booked a flight, or simply from the website. The newsletters, sent at the frequency of two or three per month, informs the subscribers of the new destinations, services, and offers or discounts currently ongoing. It is a good tool to reach customers and has a high return on investment, as the emails are almost costless, and are sent to people that asked to receive them, and are thus, interested in the content.

Icelandair is displaying banners on different websites in order to attract new customers or users that already went to the website. This is called display ads. The ads are shown on Google partners' websites, and can be targeted and selected by the advertiser. On the Continental Europe markets, Icelandair outsources the display ads to a company named Omnicom Media Group, purchasing packages of banner slots on different websites, and taking care of the repartition for its clients.

Finally, Icelandair uses search engine marketing to gain visibility on search engines, such as Google. The main tool, besides using the right sentences and keywords on their website, is Google AdWords. Icelandair possesses numerous AdWords accounts, one for each of their main markets. In Continental Europe, there are four accounts, being France, Germany, Netherlands and Belgium. Each of those accounts use different languages, with the exception of Belgium, using the French and Dutch languages. The role of the AdWords accounts at the moment is to achieve consistency and presence across the markets and media. Up until now, the accounts were functioning by maintenance, but the recently adopted strategy is to make them a powerful proactive marketing tool, increasing the sales and making a difference. To fully understand what the marketing tool of Google AdWords is and its potential, let's dive into its very structure.

3.3 AdWords

Google AdWords is an online advertising service, which was launched by Google on October 23 in 2000. Over the years, it has become Google's main source of revenue (Lee, 2009), because of its efficiency, relevancy, and omnipresence. Google AdWords is a service offering pay-per-click (PPC) advertising, meaning that the advertiser has to pay a certain amount of money each time a customer clicks on the ad, displayed by Google on a research page related to the topic. They are the first links to be shown on a research page, and are also called commercial links.

Google AdWords relies on three cornerstones: the Ad Rank system, the Google Quality score, and the maximum bid.

The maximum bid is the highest amount of money an advertiser is willing to pay per user's click. It is usually comprised between 0.5 and 2 dollars, even if bids can go much higher to get highly competitive keywords (Schewan D, 2015). There is no typical bid, and they should be adjusted according to each specific market and keywords.

The Quality Score is a ranking, scaling from 1 to 10 assigned by Google. It is building on different components, such as the expected click through rate of the ad, being the expected ratio between clicks and impressions - being the number of times an ad is shown to users - the ad will generate; the ad relevance compared to the user's search; and the quality and experience on the landing page of the advertiser. This can be done by analyzing the keywords contained in the advertiser's ad, but also website and linked landing page. The more relevant the ad, and further, the landing page are to the user, the higher might the Quality Score be.

The Ad Rank is determined by both the maximum bid, and the Quality Score. The maximum bid is a variable also depending on the competitors. An advertiser setting a higher bid will have more chances of being displayed. However, the Quality Score is playing a big role in the ranking. An ad with a low Quality Score but having a high maximum bid has less chances of being displayed than an ad with a high Quality Score and a lower bid. Being displayed in the Google Search top page is a sign of quality of the product or service; it is relevant to the user. The rank is constantly recalculated, every time that an ad has an opportunity to be shown, and the position depends on the competitors, as well as the quality of the advertiser's offer (Jacobson, 2008). The study will simply use the position as a variable, for the sake of keeping the budgets secret. In order to understand how Google AdWords works in detail, it is important to understand its very core and structure.

3.4 Structure

In order to be usable by any business online, Google AdWords perfected its interface to be easily readable and customizable. The following section will treat of this interface and structure. The structure of Google AdWords can seem complex when the first encounter happens. However, it's broken down in extremely logical parts, easy to follow (Google AdWords Help, 2016).

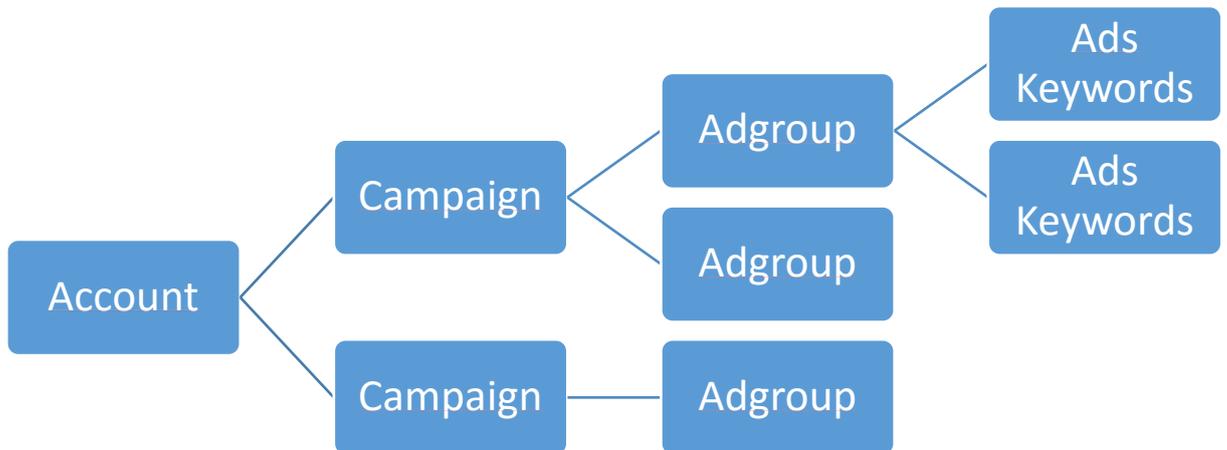


Figure 1 Google AdWords Structure by Google AdWords, 2016

At the top of the structure is the account. The account is unique for the company, but can be divided between different smaller accounts where each has access to a specific part. This is useful for international companies that are managed by different teams in different locations. An overall budget per month is attributed to the account, and will be divided between the campaigns.

3.4.1 Campaigns

In order to set a campaign, a lot of information is needed. Each campaign needs to be assigned with a daily budget, which will be the maximum amount of money the campaign will be allowed to spend in 24 hours. It can be changed at any time, and put higher if limiting the exposure of the ads under the campaign, or reduced if too costly. Languages settings need to be put on the campaigns. In function of the language of the browser a user is using, or the language in which he searches, it will be more relevant for him to find an ad that corresponds to his language. This applies of course to international companies, which seek attention from users in different countries. A campaign needs to target a location. The location can be as broad as the entire world, but also broken down to continents, countries, regions, areas around cities and finally cities. All markets are different, and might react to the content of an ad differently. This is why it is important to analyze the markets separately. A well targeted campaign allows to reach exactly the people interested, without excessive money spending. For example, if an offer is targeted to an airport in particular in France and for a limited time, it is interesting to target the

cities around this airport, as well as the surrounding cities. Then comes the ad-distribution preference. Campaigns are classified between types and subtypes. Advertisers can choose the campaigns to be shown on the Search Network only, meaning that they will appear on the Google search pages where commercial links appear; on the Display network only, meaning that the ads will appear where banners are shown; Search Network with a selection of Display, which will reach the maximum users possible; shopping sites; and video sites (Holdren & Anastasia, 2011). The subtypes will help target the campaigns even more. The standard option of subtype will help inexperienced users that need the campaign to be set quickly. The all features option, on the other hand, is for experienced advertisers, that will be able to use different features, such as using geographical locations or particular websites to display their ads, or even scheduling the ads to be shown at different hours of the day or week. Finally, it is possible to schedule start and end dates to every campaign, as well as letting them run for an indefinite amount of time. A deeper customization is also possible with the sub-level: the ad groups.

3.4.2 Ad Groups

Ad groups are the entities under the campaign. There can be multiple ad groups in a campaign. Each ad group is run by the same rules defined in the campaign, such as the location, language, daily budget, or distribution preference. A maximum Cost-Per-Click (CPC) is set for each Ad Group, determining the maximum amount of money that can be spent if a user clicks on an ad belonging to the ad group. This bid plays a role in the position of the ad on the search page, along with its Quality Score. Multiple ads can be added in an ad group, each created and chosen from the ad library. Also, different lists of keywords can be uploaded to correspond to an ad group, and single keywords can be added to each of them, to be more specific and target the potential customers more efficiently. The keywords define on which search pages the ads can be shown, and it is extremely important to select the relevant ones for each ad group, since every ad will be working under those rules.

3.4.3 Keywords

Most of the Google search engine is based on keywords. Keywords are words or phrases used by Google to classify the web pages by themes, sectors, industries, etc. They are extremely important for advertisers, since they will determine if their pages will be shown, according to their relevancy, and their role is the same in Google AdWords (Yang, Lu, Tang & Pei, 2015). By being typed in the search bar by the users, they will bring

search related ads, which are relevant to the users. Keywords are linked to Ad groups in Google AdWords. Advertisers have to link at least one keyword to each ad group. However, it is advised to find as many as possible, while staying in relation with the product, service or industry of the company (Nabout & Skiera, 2012). For example, it is possible to put a common spelling mistake in the company or product name, in order to be found if the user made this mistake. The advertiser has to attribute a maximum bid to each keyword, and build a list of keywords for each ad group. The list of keywords is accessible across the account, and they can be selected to be attributed to Ad groups or not.

There are five keyword types in Google AdWords, used to match the words typed in by the users.

The Broad match is the most common match type for keywords. The ad will have a chance to be featured when users type the exact keyword, but also sentences including the keyword, misspellings, synonyms or relevant variations (such as masculine/feminine, plural..) of the keyword. It is useful for the advertisers beginning with AdWords. By monitoring what the people type in when they find the advertisers' ad, the advertisers will then be able to find more keywords, and be more specific.

The Broad match modifier, is narrowing the spectrum of the broad match. The ads will be shown when a close variation of the keyword is typed by users. If the keyword is a phrase, the ad will be shown even if the order is not the same.

The Phrase match option will display the ads if the phrase or word has been typed, even with a small variation (such as adding a verb or action).

The Exact match keywords will feature the ad when the exact same word or phrase will be typed by a user. A close variation of the word, such as a plural will also show.

Finally comes the Negative match. As its name suggests, if a negative keyword is typed in by a user, no ads from the advertiser's ad group will be featured in the search. This is useful if the product or service can be ambiguous. For instance, an airline company in the United States offers flights to Paris in Texas. The advertiser of this company can put the words "France" or "Europe" as negative match keywords, so their ad isn't featured when users search for a flight to Europe, which will save them some money.

3.4.4 Anatomy of a google ad

The Google ads have a particular and recognizable structure. Their structure and placement can vary, although, the most common form is shown below. It is crucial to understand the organization of Google ads and their limitations, in order to analyze what kind of content can be found inside them and clearly categorize it, later in the study.



Figure 2 Icelandair Google Search Ad, 2016

The first line is called the Headline. Its blue color indicates to the user that it contains a link to a web page, and is the line he should click on. It usually is directly linked to what the user typed in his search bar. An attractive headline describing the offer is advised, in order to get more people to open the link. The example sets the customer in a traveling mindset, and head to the destination of Iceland. The headline is limited to 25 characters. The code behind the headline is tying the text to one of the web pages of the advertiser.

The second and third lines are description lines. They allow the advertiser to add more details to the offer displayed in the link. They are limited to 35 characters. The first line is generally a quick description, while the second is used as a call to action. In the example, the first line states that Iceland is only three hours away from Paris, while the second incites to book the flight online.

The fourth line is a display URL. It doesn't need to be an actual URL, and is often used to reinforce the feeling of relevancy. It is shaped to the needs of the offer it shall represent. As in the example, it indicates that the link will take the user to a page on which he will be able to purchase a flight to Iceland.

The Google ads are limited by their length (AdWords, 2016), it is however possible to lengthen them, thus giving more information to the user in his quest to find the best product possible to answer his needs. Indeed, the Google ads can be provided with extensions, adding a customer review, additional links, a phone number, etc. to the original ad. This increases the precision of the ad and amount of information displayed, and allows the targeted customers to find their way to the most suited product or service.

3.4.5 Ad extensions

It is possible to go further than the classic google ad, and implement some extensions to the four lines the advertiser disposes of. To this day, there have been two categories of extensions, being manual extensions, and automated extensions. Let's start with the Manual extensions, of which seven kinds can be encountered.

The App Extensions show a link below the Google ad, which will send the users that will click on it to the download page of the mobile or tablet app the advertiser has to offer.

The Call Extensions will put the advertiser company phone number or standard on display in the ad. It is interactive, as it is clickable, and will lead to the phone app if opened on mobile.

The Location Extensions will add a Google Maps marker to the ad, as well as show the business address and phone number of the advertiser.

The Review Extensions are a showcase of the positive reviews customers have left from trustworthy sources, such as TripAdvisor, or SkyScanner.

The Sitelinks Extensions give the advertisers the opportunity to display up to four additional links in their ad. It is usually used to get more information about the service, contact the company, or show related offers.

The Callout Extensions are designed to add some text to the existing ad. There can be up to four displayed by add, and they are limited to 25 characters.

The Structured Snippet Extension are used to add up to two different headlines in the same ad, displaying multiple services, products, brands, and more.

The automated extensions are managed by Google, because of their need to be updated and reactive. There are five forms of automated extensions. Consumers' ratings are always changing, because of the different rates the users give to the company. The same goes for Sellers' ratings. The previous visits change uniquely when the user has already visited the website, then, the headline will be displayed in a purple color. Dynamic Sitelinks Extensions can be added, and will change in function of the keyword used by the user, and the relevancy to their query. Finally, the dynamic Structured Snippets will display headlines related to the user's search, which will be more relevant than others, linked to the same offers.

After setting up the campaigns, ad groups and finally keywords and ads with their possible extensions, it is possible to control and monitor them, thanks to the AdWords interface. Even though the ad extensions are a precious exposure gain, the following study will not take them into account, for they are not constant, and don't show all the time on the Icelandair search ads.

3.4.6 Monitoring

The monitoring of an advertiser's Google ads can be done under all the following tabs, in the Google AdWords interface. This chapter will dig into the different dimensions available to monitor a Google AdWords account, in order to see which metrics can be used to measure the success of Google ads.



Figure 3 AdWords dashboard, 2016

There are five monitoring dimensions in Google AdWords, being Performance, Conversions, Attribution, Competitive metrics and Gmail metrics. Each of these dimensions provide different criteria to monitor the ads, and follow their development after being launched. Every criteria can be checked over a period of time determined by the AdWords user, and seen from every level, from the campaign level, to the ad groups and down to each very ad. They will appear in a customized table, if requested by the user. In this part, the three first will be detailed, as Icelandair isn't using the last two ones.

The performance dimension has seven criteria. The first one is simply the number of clicks reached by the selection, while the second is the number of impressions, or times the selection was shown in the Google paid search network. The third is the click-through-rate (CTR), being the ratio of the times an ad was clicked on, over the times it was shown. The average cost per click (CPC) tells the advertiser how much money is spent per ad clicked on average. The average cost per Mille is the average cost issued by a thousand impressions, and clicks that were originated from it. Google AdWords gives the opportunity, by default, to have an eye on the Cost criteria, being the total cost the selection generated over the given period of time. The last criterion is the average position the selection of ads occupies on the Google paid search network. It is extremely important to know where your ads are situated, and ultimately, if they are shown at all.

The conversion dimension includes twenty criteria. The conversions are the times the clicks lead to a transaction, a product purchase. It is possible to monitor the cost per conversion of each selection, as well as the conversion rate, being the ratio of conversion over the clicks. The conversion value can be monitored, as well as the ratio of the value over the cost generated by advertising. It is possible to monitor the number of converted clicks and the cross-devices conversions. There is an “All Conversion” criteria and declination of criteria, which is used if the advertiser decides to exclude some conversions from the conversion criterion, such as cross device conversion, phone calls, etc. Advertisers can also get the cost for all conversions and the conversion rate. Some of the criteria are relative to value. For example, it is possible to see the value generated by all the conversions, and the value/cost ratio. The value over all conversions criterion gives the average value per conversion, and the value over clicks gives the average value generated by each click.

The last dimension, attribution, is composed by four criteria. They deal with the attribution of each conversion. Google AdWords can track if the final conversion was provoked by a click on an ad, or simply the ad showing.

The metric that seems to be the most fitted to the situation is the click-through-rate. This is supported by the work of Rutz & Trusov (2011), who used the CTR as a scale to measure the efficiency of different variables in their model. They also used the number of conversions, but Icelandair desires them to remain confidential.

3.4.7 Click-Through-Rate

From all the metrics proposed by the AdWords interface, it seems that the most reliable and independent one is the click-through-rate. This study will then focus on the nature of the Google ads and their content, with a qualitative approach to it.

The click-through-rate, is the ratio of the number of clicks over the number of impressions. A higher CTR means a highly attractive and relevant ad. It's one of the most important variables to keep an eye on. The success of an ad compared to another will be measured by the difference in CTR, which in theory is independent of the budget allocated to different campaigns, since it is only a ratio, and has no numerical boundaries. It is used by different websites dedicated to search advertising as a unit of measurement, such as boostblog.com, searchenginewatch.com, or other studies like Rutz & Trusov (2011) and

Richardson, Dominowska & Ragno (2007). Studying the CTR would allow to measure the success of an ad, without worrying about the budget involved.

3.5 Research questions

The finality of this thesis is to research and determine how several factors are influencing the success or failure of Google AdWords adverts. Literature on this specific topic has not been extensively documented and only few researches have been conducted and published about some factors that would affect the success of Google ads. Among them figure the work of Rutz & Trusov (2011). Also, some websites such as boosblog.com or searchenginewatch.com try to give AdWords marketers some tips on what kind of content ads should or should not possess. Other than that, most of the research has been conducted in the perspective of the marketer. This research work will try and see the AdWords system from a customer's point of view, and theorize the factors that might influence the success of Google ads. Thus, this work would try and find some of these factors, and serve to further the research in the field of Search Engine Marketing.

The newly acquired insight on Icelandair helps to understand that Icelandair is a special company, growing between strong airlines, and has particular needs and goals. Its differentiation strategy and unique products need to be displayed, in order to educate the customer to the products and differences with competitors, as well as raise awareness. More than just marking its presence on the Internet, Icelandair needs to push its products, promote them, and inform the customers about the brand. The Google AdWords tool can help Icelandair to achieve its goals and greater market share. It can be used in different manners, and thus channel the customers to a relevant offer. Due to their structure and particular form, the Google ads show a limited amount of content and information. It is then crucial to understand what kind of content is efficient to attract customers or has the opposite effect, in order to create fully functional and successful Google ads, as well as finding a reliable scale to measure their success.

Thus, the aim of the thesis is to make an attempt at theorizing and answering the following questions:

1. Are there factors influencing the success of Google ads?
2. What kind of content should an Icelandair Google Ad possess in order to appeal to Internet search users?

The objective of this thesis is to use the newly acquired insight on both Icelandair and the Google AdWords tool, as well as a thorough research on the literature that has been published about search engines, search engine marketing, and the competitive environment of the airline industry, in order to try and determine what kinds of factors can influence the choice of clicking on an ad or not. Then a framework will be created, based on the previous work of Rutz (2011) and Vries *et al.* (2012) comports the said criteria that are supposed to influence the success of such campaigns.

After gathering and analyzing all the ads of a certain period of time in one of the Icelandair AdWords accounts, a multiple regression will be run to determine the validity of the newly created framework, and see if some light can be shed on the kind of ads ad content are driving the most customers to click on the ads.

This first question would be answered by the research conducted, shedding some light on the said factors, and resulting in the making of a framework, serving as a base for further research. Then, using the newly created framework, an attempt will be made to determine if those factors actually drive clicks and success, by comparing the success of different ads, and their content.

4 Literature review

Since its official launch in 1998, the Google search engine has never ceased to evolve. Its modes of operation and its incredible growth have fascinated and triggered the interest of the scientific community. An ever increasing number of academic papers have been written on the subject, in countless fields, such as engineering, Innovative Technology (I.T.), Economics, Marketing, Psychology and behavior, for it is a real societal phenomena spread all across the globe, and a tool in the day to day lives of people, but also businesses and organizations. The businesses, at the dawn of the Internet as we know it today, had to adapt themselves to this new tool, which serves them for marketing support as well as sales and many more. Today, it is almost easy to set up a business on the Internet. However, some companies don't last, or fail to gain market share for multiple reasons. The matter of a flawed product or offer will be left behind, and focus on the marketing itself. It is then crucial to know the condition of the market a company is in, and the tools they have at their disposal, in order to compete as efficiently as possible.

This literature review will firstly treat of the state of the evolution of the airline industry and its marketing, as well as the necessity to adapt to the new tools the industry disposes of, and compose with the technology offered today. It is important to put the company and resources into context, before moving to the core of the issue. The second part of the review will detail the way of operation of contemporary search engines based on a framework from searchenginertools.com. The notion of search engine marketing will be developed in the following chapter. The fourth chapter will serve as the baseline of the study, with the factors that could drive potential customers to click on Google ads.

4.1 Marketing airline industry

The airline industry is extremely sensible to both internal and external factors. This sensitivity leads the airline industry to change radically and quickly. The result is an evolved and modern airline market, which has been shaping up to the one we know today since the beginning of the turbulent twenty-first century.

According to Mason & Alamdari (2007), the beginning of the twenty-first century has shaken the airline industry. As soon as the early year 2000, a lot of pressure was put on traditional “legacy” airlines, with an increase of the oil barrel and labor cost, but mostly the soaring of the low-cost operators. The latter generated a negative pressure on air fares, making it hard for companies to keep up in a price war. The decreasing demand from slowing down economies in Asia and Europe also added to the matter (Diaconu, 2013). An economic downturn also happened from the bursting of the dot.com bubble, and a consequence was a decrease of the global air traffic demand, more devastating for premium services (Franke & John, 2011). The events of September 2001 only added to the pressure on airlines, followed by a decrease in demand, very price sensitive customers, as well as burdens from an increasing pressure from airline security regulations (Jarach, 2004). After a few years, at the dawn of 2007, the airline industry and most of the traditional carriers seemed to have surpassed the beginning of the 2000s events, when the global economy crisis began (Diaconu, 2013). This crisis had surprising and significant repercussions, with, for instance, an increase of the biggest airlines GDP and market shares, and in our case, the beginning of the soaring of tourism in Iceland. The eruption of the Eyjafjallajökull volcano also helped to turn the spotlight to Iceland. This new trend directed to Iceland is a great opportunity for Icelandair to gain awareness and market share in the targeted markets, and even if they have been using this organic success, they need to be more proactive and go further in their targeting. With the increasing pressure towards the airline industry, multiple economy crisis, and increase in competition, it has become vital for airline companies such as Icelandair to differentiate from the competition, and stand out. In this highly competitive market, a lack of differentiation can quickly lead to a loss of customers and profits (Sorensen, 2015).

One of the direct changes noted in the modern airline industry is the attitude of customers have towards airlines. The new classification of customers is governed by three factors, as stated by Teichert *et al.* (2008). The study suggests that the segmentation through economy and business classes is outdated and obsolete. New airline customers are, firstly,

segmented in function of the amount of comfort customers are searching for. Some customers don't seem to be bothered by a lack of comfort, while others are much more concerned. The second dimension is the efficiency with which airlines bring their customers from one point to another, mostly dealing with the time frame and number of connections. Thirdly, and evidently, customers are concerned on different levels about the pricing of the service. The main consequence is that the precedent airline business strategies to offer more or less luxury might not attract as much customers as before. Airlines have to take into account the segments of customers which, for instance, value efficiency over cost, or the other way around. As Diaconu (2013) pointed out, the increasing pressure and competition of low-cost airlines is influencing the differentiation of traditional legacy carriers with low-cost carriers. This differentiation goes through service quality, becoming a powerful argument for the traditional carriers to keep charging and justify their premium prices. A study was conducted between customers from London and Taipei by Sum Chau *et al.* (2009) using the SERVQUAL framework. The results showed that the customers thought the airlines they flew with didn't quite meet their expectations (fifth SERVQUAL gap), and thus need to be more focused on, as well as the need for them to make it evolve. Icelandair is focused on pleasing the customer, and has extremely good satisfaction rates (conversation with Grímur Gíslason, 2016). It is important to inform the customers of their particularities.

The high level of competition forces airlines to stay at the edge of marketing and technology channels, becoming early adopters of the sales and marketing through the Internet and, as of today, it would be a close to impossible matter for an airline to operate without the Internet. In the most recent years, airlines have been trying to implement all the pre-flight procedures with the help of the Internet (Belobaba, Odoni, & Barnhart, 2015). This includes services such as booking and buying the tickets, which is used more and more, but also the check-in. The customers receive by mail a receipt, the flights information and the ticket itself, containing a QR code, which they can print or keep in their smartphones to show when at the customs controls in order to board the flight. The increase in different ways to serve the customer is urging the airline companies to differentiate themselves even more and advertise their service in the right way.

A study by Martín-Consuegra & Esteban (2007) found a correlation between the intensive focus on marketing, such as a clear differentiation strategy and a presence across all media, and the positive performance of the airlines. However, this can be complicated to

implement. Tsai *et al.* (2011) tested several factors related to the effectiveness of web-based marketing amongst airlines. The results showed that even if airlines were widely present online, and have improved since they started, some inefficiencies and troubles were to be found. The majority of problems was the lack of direct links to information concerning services or products of the airline. Indeed, the customers were having difficulties to find their way to what they searched for, and the response from the website didn't satisfy them. The study concluded that the airlines still have work to do, as they were not using the Internet and online marketing tools to their full capabilities.

As the competition between airlines becomes fiercer due to the changes in the market, such as the soaring of low-cost carriers, and the changes in customers' expectations in terms of service quality, prices, comfort and efficiency; it is important for airline companies to stay tuned with the current technologies. The Internet is one of them, with its many possibilities and tools, and as it has been stated, there is room for improvement. The fierce market forces smaller companies like Icelandair to be innovative, and use each tool they dispose of in the most efficient way they can. The online tool is the biggest player for awareness, and it is crucial to understand how it works, in its very foundations.

4.2 Search engine

In order to determine an efficient way to monitor the success of a Google ad, create a functional framework and create efficient Google ads in the first place, it is crucial to dig into the Google search structure. Google is immensely extended and getting bigger every day. Because of its incredible size, Google has a way to classify every page it can find, in order to get the material needed to the user requesting for it, the fastest possible. The diagram below is illustrating the simplified classifying system Google uses.

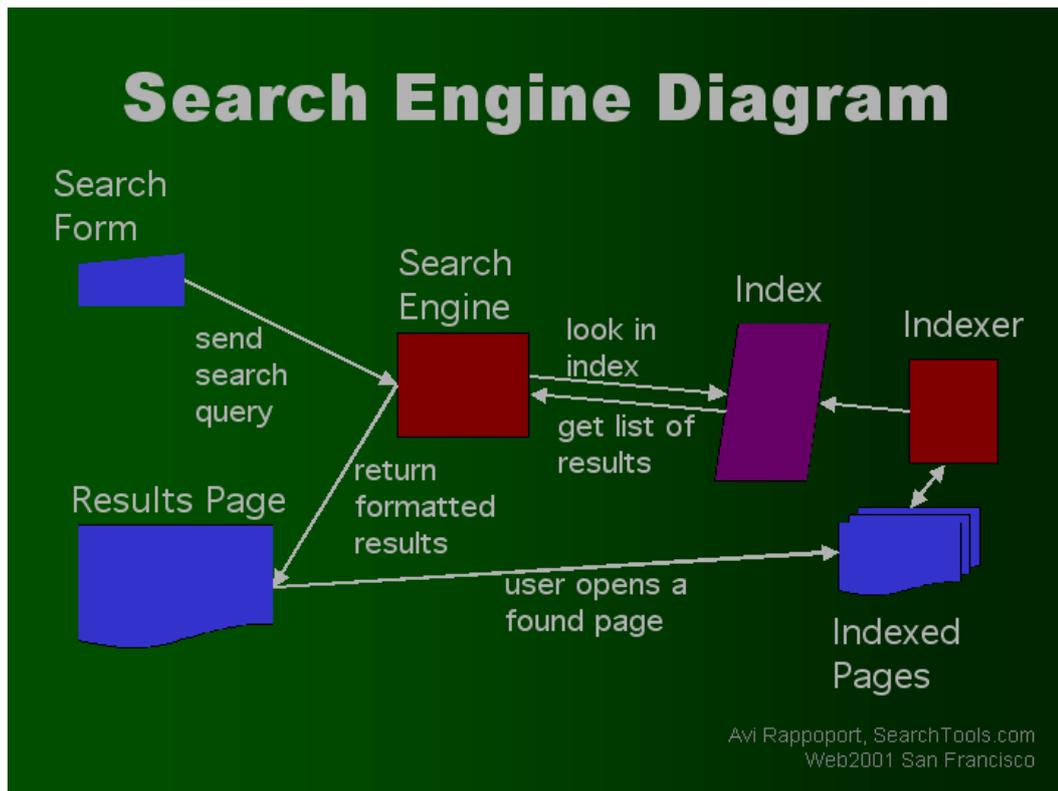


Figure 4 Search engine diagram, searchtools.com, 2001

According to Rangaswamy & Giles & Seres (2009), search engines do not search the web every time users type in their search bar. The search engines, in majority, have two functions which are, firstly, crawling the Web to index the pages, and display the most relevant links and pages to the user (McIntyre, 2015). Even though each search is interactive and takes the most relevant results to display, the searching task takes place prior to this action.

Search engines, such as Google, use web crawlers, also called robot or spiders, which are programs that browse the web, from page to page, autonomously (Miller & Bharat, 1998). These programs are making an inventory of the pages they encounter, analyzing them, sorting them by content, but also user friendliness, etc. to file them in the Google Index (Google, 2016-a). Some crawlers will also come back to the indexed web pages in order to certify their relevance, and keep track of their quality. They will assess the pages, and give a Quality Score to the pages. It is then extremely important for marketers to target the customers wisely with keywords.

When a search is completed by a user, the Google secret algorithms will take every bit of information the user gives with the used keywords and help him with methods such as query autocomplete, spelling, synonyms, query understanding and others. From the keywords and different methods used to understand the query, Google will find the most relevant documents in the Index. Those results will then be ranked, using the Google tool Page Rank. Over 200 factors are taken into account when ranking the pages, such as the site page and quality, its freshness, safety, the context of the search, its availability in the user's language, and many others (Google, 2016-b). The made up list of pages and links will then be displayed to the user. The Google search algorithms are constantly changing and being improved by engineers in order to deliver the service as fast as possible. At their current state, the algorithms search the index and rank the results in under an eighth of a second (Google, 2016-b). The website moz.com, in an article written by Fishkin (2016) uses a simple analogy between the web and a city subway system, which explains and simplifies the concept. In their metaphor, each subway stop is assimilated as a page, or document. The search engines are the subways, going from stop to stop and indexing all of them on a map, finding the best ways to go from one to the other, using the lines, or links. All these dispositions are taken in order to deliver the information faster. The way search engines work to retrieve information is extremely accurate, and obey to a fair amount of rules, following secret algorithms taking into account hundreds of different variables to make the search more user friendly, and designed to serve the customer. It is then extremely important for companies to try and respect those rules as well as they can, in order to be exposed in the best manner possible as well as target the right customers. Adapting to this new tool, companies developed strategies as a new marketing channel emerged: search engine marketing.

4.3 Search engine marketing

The search engines' soaring from the start of the twenty-first century led to deep and profound changes in businesses strategies, both in terms of sales and marketing. Whole business models were transformed due to this new marketing channel (Rangaswamy & Giles & Seres, 2009). The phenomena gave birth to a new marketing field being search engine marketing.

Search Engine Marketing (SEM) is “the pursuit of a plan or strategy that accomplishes the marketing and business objectives of an organization using the search” (Colborn,

2006). SEM has been increasingly drawing the attention of the search advertisers (Danuloff, 2009) for its versatility and tremendous possibilities.

From its high flexibility, all kinds of goals and objectives can be set for a search engine marketing campaign. According to Colborn (2006) in *Search Marketing Strategies: A Marketer's Guide to Objective-Driven Success from Search Engines*, any different area of classic marketing can be found and developed through Search Marketing. The three most typical dimensions of objectives for Search Marketing are branding, sales, and lead generation.

Branding through Search is often used to achieve consistency and presence across all media, as it is associated to a pull media (Colborn, 2006). Indeed, the users have to type keywords in their search bars in order to find the service or company they want. By searching for a kind of product or service, users can be provided with multiple companies, and will have to choose. It's the product that will make the users decide, even for a purchase offline, as 81% of users will search online before buying a product (Morrison, 2014). The use of the right keywords is crucial to increase awareness over the brand or company. According to the Google AdWords help service (2016), a keyword can be a simple word, a suite of words or phrase, which describes the product, service or information the advertiser chooses to help Google AdWords determine when and where the ad can be displayed. They will help reference the products of a company as well as direct the user when it's relevant for him. The keywords, on which are based the search engines and thus search engine marketing, are also a way to compete against companies operating in the same industry. For instance, keywords not related to the brand, but related to the industry can help build brand awareness, unbranded search activities lead to branded search (Rangaswamy & Giles & Seres, 2009). Search Marketing can be a good way to build the brand and raise awareness against the competitors, and also helps developing the sales.

The second objective described by Colborn in 2006 is the sales. By promoting a company's product on the search page, they can drive sales more efficiently to the website. The main advantage of search marketing over more classic marketing methods is that the impact of almost each action can be measured, down to the accountability of each keyword in one sale. For instance, in a study, Bucklin (2007) found that the keywords related to the brand had a much lower cost per conversion than general keywords related to the industry. This was supported by Rutz (2007), who found that it

was possible to predict the probability of conversion, and thus the cost per conversion per keywords. Marketers can directly track the return on investment, as well as the value of the transactions achieved for the cost of marketing actions. By monitoring all the marketing actions, marketers know where to increase marketing budgets when a campaign is efficient and can compete for the first ranks in the Google search engine. Besides monitoring, it is also easy to see, thanks to the Google services, the sales generated by the website, and each ad. The search is a nice tool to drive users to the online sales platform, and track the sales.

The third objective is lead generation. The search marketing can help companies to increase and drive more traffic to their websites. More than increasing awareness, companies with a longer sales cycle, such as airline companies, real estate or B2B companies, are able to get users to go on their website, to come back later and maybe finalizing the sale (Colborn, 2006). For instance, it is possible to drive leads to an advertiser's website by using the same keywords as the competitor (Rangaswamy & Giles & Seres, 2009). However, the advertiser must be careful, and keep in mind that it might affect the advertiser's own quality score if the keywords are not perfectly implemented in the strategy and landing pages. It is then important for companies in the airline industry for instance, to properly retarget their customers.

Google AdWords is a service that allows advertisers to pay for getting displayed and having more clicks. However, the amount is not fixed, unlike the maximum amount the advertiser is willing to pay for one click, and the monthly budget. According to Mehta & Saberi & Vazirani & Vazirani (2007), the advertisers will pay Google only if users click on the ad, not because it was displayed. Via a complex algorithm, the advertiser bidding on a spot and keyword will not pay for his bid, but for the bid the second bidder was going to pay, and goes on for each advertiser displayed. Marketers must keep in mind that the paid search is a highly competitive field, and must always keep up with the AdWords system, because a lot of factors are independent from marketers, such as the competitors budgets, landing pages quality, etc. (Mehta & Saberi & Vazirani & Vazirani, 2007). This is why marketers must differentiate themselves from the competition, using different techniques to increase the chances of customers clicking on their ad.

4.4 Ad Success

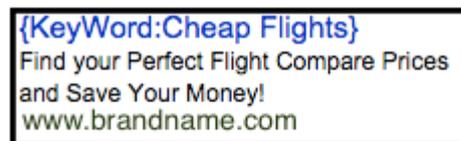
As stated by Abrams and Schwarz (2008), and later Varian (2010), the introduction of the concept of quality in search engines facilitated answering the troubles both search engines

and internet providers had with poor quality ads and the complaints of customers. Neither of the two are willing to publish algorithms allowing the marketers to manipulate their ads to always be visible. For instance, Google has the Quality Score, and according to their sources (AdWords, 2016), a higher quality score directly impacts the price the marketers have to pay, implying the fact that the better quality an ad is, the more it will be published, for a less expensive price. However, Nabout & Skiera (2012), found that 4.84% of quality improvements on the quality of ads lead to higher measured prices on click, but 100% to a higher number of clicks and 52.57% create higher search engine marketing costs. The study points that the quality improvements lead to higher weighted bids. The case in which quality improvements decrease the costs is when the ranking doesn't change from the start. If the quality improvement led to a higher rank, it is only normal that the price paid also increases. The consequences are higher costs, but also better exposure, as well as possible improvements in the profits.

The improvement of quality of ads, even if the streamed process remains unclear because of the occulted search engines algorithms, would lead to higher profits. Researches have proven that the specific choice of keywords, chosen by the marketers, have a direct impact on the customer preferences and clicks (Agarwal & Hosanagar & Smith, 2011). Rutz and Trusov (2011) found that even if the search marketing becomes more targeted because of the better understanding of the keywords system, customers have different levels of sensitivity when it comes to prices. Thus, the advertiser must decide on what is the aim of his ad, in order to attract the targeted customers. The ads, besides their persuasive role, can be informative as well (Yang & Lu & Tang & Pei, 2015). As stated by Teichert *et al.* (2008), modern airline customers are choosing flights because of 3 criteria, being the efficiency, price, and service. It is then important for airlines to display their specificities to the customers. The information delivered by the ads are concerning the brand in general, such as its unique selling points, and have a role in the differentiation of the brand. The informative role of Search ads is limited by their length (Bhardwaj & Chen & Godes, 2008), forcing the marketers to choose keywords and topics, and be extremely specific to reach the targeted customers. However, Google AdWords allows the marketers to add extensions to their search ads, increasing the display space and possibilities (AdWords, 2016), and being able to inform the customer more efficiently. The extensions have to be relevant, and are also submitted to the Google quality score. The persuasive side of ads is linked to the sales of a company. They are usually set to make the customer choose for the advertiser's product by clicking on the ad. "Branding", or information, and

“Promotion”, or persuasive, are then suited to be criteria of ad success, depending on their levels.

According to the website boostblog.com (2016), and especially the category “win of the week” pages, the ads need to be original, inform the customer, and have a good way to call the customer to click. This website is taking existing ads, putting them into competition with new ads the boostblog team creates, and at the end of the day, see which ad has performed better. They then analyze the differences, and come up with tips. For instance, the ads below were competing. The second ad, created by boostblog, had more clicks and click through rate than its peer. The reason behind is that the second ad addresses the target customer better, by taking apart a special category of customers, here the frequent flyers.



{Keyword: Cheap Flights}
Find your Perfect Flight Compare Prices
and Save Your Money!
www.brandname.com

Ad #1



Low Cost Flights
Are You a Frequent Flier? Discover
Great Deals on Flight Fares & Save!
www.brandname.com

Ad #2

Figure 5 Win of the week, ads that take off, Boost Media, boostblog, 2016

Boostblog.com has given numerous examples and insights on original and efficient content Google ads could contain. Those insights, among others, will help to determine what kinds of content are susceptible to trigger interest and a click from the potential customer.

The precedent example of ad (figure 5), showed that the second ad, the one modified by the boostblog team, was more efficient than its former peer. One of the reasons enunciated is the presence of a question. More than just being original, the question is making the customer react, and helps him to categorize himself and follow the appropriate path for

him. The presence of a “Question” might then affect the customer in a positive way when deciding to click on an ad.

Pricing is one of the four dimensions of a marketing mix strategy (Van Waterschoot & Van den Bulte, 1992). It is a variable extremely important to the customer, and has to be adjusted to the market prices, in order to push the product forward. Some customers have proven to be price sensitive (Rutz & Trusov, 2011), at least more than others, and for most, the price of a product is the main reason customers choose a product over another, as well as the quality of an offer (Amenc, 2013). It was stated in Rutz & Trusov study, that the customers being likely to click on the ads were more price sensitive. Also, it was hinted by a presentation at the RIMC (Reykjavik Internet Marketing Conference, 2016) than not only the presence of prices but numbers in general, might have a direct impact on the clicks an ad receives. “Numbers” could then also be a factor driving success to Google ads.

Also evocated during the RIMC 2016, it would seem that the insertion of a sentence in imperative form, a call to action to trigger interest, and impulse the customer to click. It was hinted by boostblog, in figure 5, which addressing the customer directly could lead to good results. Inserting a “call to action” in a Google ad could then have positive effects on its success. The model created by Rutz & Trusov in 2011 also used “call to action” as a variable, in his attempt to evaluate the impact of the content in search ads.

The study conducted by Richardson, Dominowska & Ragno, in 2007 suggested that the position of an ad on the search page influenced its success. Figure 6 shows the results of an eye tracking software test on a search page. It clearly indicates that the higher an ad is placed, the more it is looked at, and might achieve success. A few months ago, Google took out the ads on the right side of the search page (SearchEngineWatch, 2016), it is important to not take them into account.



Figure 6 Eye scan activity on search results page, by Richardson, Dominowska & Ragno, (2007)

Finally, Richardson, Dominowska & Ragno (2007), Rutz & Trusov (2011), as well as the website boostblog.com are using the click-through-rate to measure the success of an ad over another. It is a variable that is only showing and standing for itself, not giving any possibility for the competitors to calculate the budget or the number of times an ad was displayed and clicked on. It then seems perfect to measure, in the further work, the success of Google ads by taking and comparing their “click-through-rate”.

5 Methodology

As stated earlier, the literature and research on the qualitative side of search advertising is very limited (Abou Nabout & Skiera, 2012), and mainly focuses on the advertisers (Haans & Raassens & van Hout, 2013). Thus, there is no particular framework, nor list of factors influencing the customer in his choice to click on an ad, besides the ones used in the work of Rutz & Trusov (2011).

According to the previous research papers and the insights from marketers, it was observed that several factors seemed to trigger interest from the customers. Those factors are spread between two different types of ads. The first one would be the informative nature of an ad, designed to give pieces of information and raise awareness over the brand, while the second would be the persuasive and promotional nature of an ad, displaying the allure of the product or service proposed. Several types of content also seem to influence the customer, being the presence of numbers, questions or call to action in the underlying ads. In 2011, Rutz & Trusov made an attempt at creating a model evaluating the influence of certain types of content on Google Search ads. Even if some parts were fruitful, it seems not fully adapted to the case of airlines, and Icelandair. Then, having no existing conceptual model tailored to the Icelandair search ads, it was decided to take a functional framework from Vries et Al (2012), adapted to social media, and adapt it to better suit the needs of search ads.

5.1 Conceptual framework

In 2012, Vries, Gensler and Leeflang created a framework to compare the popularity of brand posts on brand Facebook pages, with different factors (Appendix B). This framework was later, in 2015, modified by Sorensen to suit the needs of Icelandair. Indeed, the different parts of the framework weren't used to the same extent, due to the special nature of the Icelandair page, having a disproportionate amount of informative posts, the page being principally used to send helpful information to facilitate the education and understanding of the brand. The figure 6 shows the framework Sorensen used for his research, and will serve as the base, in terms of structure, for this study.

The modified framework assessed the popularity of the brand posts on Facebook with three factors, being the number of likes, comments and shares on each Facebook post. Sorensen (2015) then inserted four post types, being posts with informative content,

entertaining content, promotional content and social content. When using the framework, he also used control variables; the day of the week the post were published, the length of the text of the posts, the position of the post on the brand page, if the post was boosted by Icelandair with a daily budget, and the number of fans having liked the page.

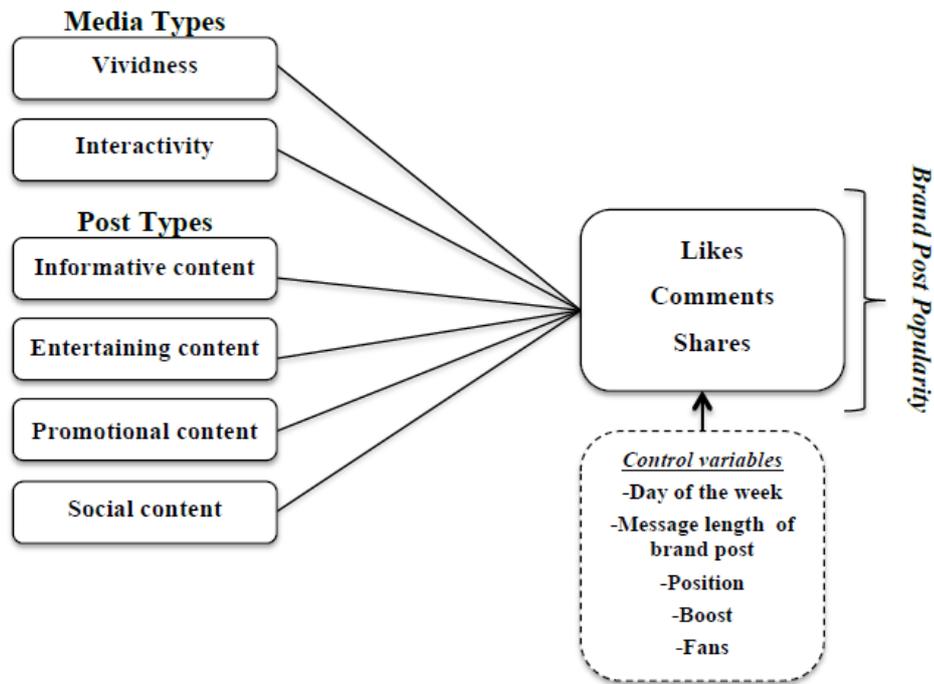


Figure 7 Conceptual framework from “Effects of Content on Facebook Post Popularity: The Case of Icelandair” by Sorensen, 2015.

For the media types, Sorensen (2015) used the same criteria Vries, Gensler and Leeflang used to operationalize the vividness and interactivity. Four levels of intensity were appointed, being none, low, medium and high, echoing research conducted by Coyle and Thorson in 2001. The description of the criteria are in the table 1 below.

Operationalizations of Vivid and Interactive Brand Post Characteristics

Level	Vividness	Interactivity
Low	Picture (photo or image)	Link to a website (mainly to news sites or blogs, but never to the company website) Voting (brand fans are able to vote for alternatives (e.g., Which taste or design they think is best))
Medium	Event (application at the brand page and announces an upcoming (offline) event of the brand)	Call to act (urges brand fans to do something (e.g., go to certain website, 'liking' or 'commenting')) Contest (brand fans are requested to do something (e.g. Tweet or like a website) for which they can win prizes)
High	Video (mainly videos from YouTube)	Question Quiz (similar to question, but now brand fans can win prizes)

Table 1 operationalization of Vivid and Interactive Brand Post Characteristics
 „Popularity of Brand Posts on Brand Fan Pages: An Investigation of the Effects of Social Media Marketing”, by Vries *et al.*, 2012, Journal of Interactive Marketing.

Then, four post types were described, classified by their content, that he separated from the media types. the first type is “informative” content, posted to deliver helpful information to the customer. The second type is “entertaining”, being referred as content that doesn’t directly refer to a service or product, but more of facts or anecdotes on the daily life of the company. Thirdly, the promotional content is the offers, discount and direct advertising on the products the brand decides to display, such as 48h flash offers. Finally, the social content referred to the events the company organized or was promoting, because of its involvement.

5.2 Adapted Framework

The conceptual framework created by Vries, Gensler and Leeflang (2012) and modified by Sorensen (2015) needed to be adapted for the sake of his research. While the structure and its use are fitting the Search marketing problem, as it will be explained, it has been created to be applied to Facebook, which is a totally different matter. However, being tailored to Icelandair, the framework from Sorensen seemed to be a better start for an adaptation than the general model by Vries *et al.* Thus, this section will explain how the framework was studied, and how it was adapted to suit the needs of Search Engine Marketing, with some insights taken from different sources and particularly the work of Rutz & Trusov (2011).

The aim of Facebook communication and marketing is obviously consistently different from the Search Engine Marketing. However, there are some similarities, that can be put in the form of a similar model. As stated by Hakon Agustson in 2015, the goal of the Icelandair presence on Facebook is mainly to provide useful information to the customers on a regular basis, and creating a proactive marketing tool. On the other hand, as stated above, the objective of Search Engine Marketing is to drive leads and potential customers to the website, in order to boost the sales and increase awareness. Some goals can be interpreted similarly. The search ads also play the role of informing the potential customer, in a different manner, by giving details about products or Icelandair unique selling points, that are not obvious to the user if they don't know the brand. The next paragraphs will explain what can be kept, as well as what and why some elements can be changed.

For instance, the four types of content described by Sorensen (2015) don't all seem to apply to the Google Ads. Indeed, the entertainment content, not being directly about the brand, is not appropriate for the Google ads. First off, it wouldn't be judged relevant by the Google Quality tool, to end up never being displayed, or with extremely specific keywords, making it almost worthless. The social content as well, being used on social media to attract answers from the customers, and comment on special events limited in time, doesn't seem to be suited to this kind of communication either. The main reason is that there is no direct and two-ways interactions between the brand and the customers.

On the other hand, the informative content fits the goals of Icelandair's Search Marketing strategy. Indeed, the aim to build awareness and giving information to the customer is being used by Icelandair in their AdWords campaigns and ads. This need for information

is supported by Teichert et al (2008), stating that the customers choose an airline over another because not only of the difference in pricing, but also in service and efficiency. The promotion content, being about the offers and prices of the Icelandair services, is definitely used by Icelandair in their search ads, since the biggest objective of the search ads is to drive more customers and increase the sales. Over the four types of content, only two can be used in the adapted framework. The social and entertaining content, adapted to the direct discussion and reaction of social media, are not suited for a model on search marketing, when the informative and promotional contents are revealed appropriate.

Those two types of content will then take the place of ad types in the modified framework. By their rather special form, the Search ads can hardly be assimilated to any other type of marketing tool. Especially to the highly interactive and vivid posts on Facebook. They are composed of four text lines, being the headline, two lines of description, and a display URL. The vividness and interactivity of the initial framework were then removed, since they aren't consistent criteria in the search ads, replaced by "branding" and "promotion" oriented ads. However, the way of operationalizing the ads will remain the same, with different factors and levels to classify these ads. Scales were chosen to measure the branding and promotional nature of Google ads because they can be categorized as such in different levels.

Colborn, in 2006, stated that branding was one of the missions of Google ads. The definition of branding, according to businessdictionary.com, is "the process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers". The Icelandair branded Google ads then serve to give customers precious information and unique selling points about the brand in general, educating the customer and raising awareness. The informative, or branding oriented ads can be ranked according to their level of intensity. A low level of branding and information can be characterized by the presence of the brand name either in the description line or the display URL. A medium level can be referred as the brand name in the headline, and a high level of information is seen when there is a precision on the general service, and gives a non assumed or implied information about the brand. For instance, as stated in the Icelandair service section, it is not assumed that Icelandair offers a stopover in Iceland without any additional airfare when going to North America from Europe, or the other way around. This is a high level

of branding, since it gives the potential customer information on an exclusive service Icelandair provides. All the Icelandair ads possess some branding parts, there is no ad without branding in the AdWords account, the baseline will be a low branding effect, then medium and high. Examples are shown in Table 4.

According to businessdictionary.com, promotion is “the advancement of a product, idea, or point of view through publicity and/or advertising”. This is the main goal of the Google search ads, that aim to expose the product or brand in the right places in order to appeal to the customers and drive sales. There can be ads with no promotion, being uniquely pushing and exposing the brand in general. The ads comporting no particular promotion towards a specific Icelandair product will be labeled as “none”, and serve as the baseline for the study. A low level of promotion can be seen as the ad leading to a product page, for instance, a destination or special offer page, and a high level can be the precision on a product, directly featured in the ad. Depending on the type of ad, if the ad is more branded or dedicated to promote a product, the same information can be a precision on the brand, or the product. As stated earlier, the free stopover, when placed on a mostly branded ad, is an information on the company and service. But in an ad made to promote, as an example, a destination in North America, it is a totally different aim, and is included as a part of the product, the flight to North America. An ad reaching the maximum level of branding can’t achieve the maximum level of promotion, and the other way around. Examples are provided in Table 4.

As the two types of content were changed to become two types of ads, or as it was in Sorensen’s model, media types, there needs to be types of content. The ads, due to their limited display space and format, as well as the fact that they are only composed of text, can have only a few variations in content. As stated above, when customers look for a product, they are most likely to search for information, and take the most advantageous offer to their standards, by following the most interesting link. The content, or message of the ads is then crucial, and has to be extremely efficient to attract the customer.

The first kind of content, spotted in a large number of Google ads, is the presence of numbers in the ad. Generally, the presence of numbers is associated with the price of the product or service, and used in the Rutz & Trusov (2011) model as a criterion, but can also be numerical information, such as “2 destinations in 1”. Thus, it was placed in the modified framework as the variable “Number”. A method to attract customers is to address them directly. Following this concept, a lot of Search ads are composed of two

things, being the next two variables in the model. The first one is “Question”, for when a question is formulated in the ad, such as “Want to discover Washington?”. The second is “Call to Action”, when the ads are calling or inviting the customer to click on the ad, as for instance “Book your ticket now!”, and was used in the Rutz & Trusov (2011) model as a variable. Examples are shown in Table 4.

Finally come the control variables. The “day of the week” on which the ad is displayed is irrelevant as such, since the ads are generated, depending on the keywords, quality of page and budget, on the Google search page, regardless of the day, night, week days or weekend days. The AdWords option making it possible for a marketer to program the times when the ads can be generated to appear in the search is not used by Icelandair. Thus, the control variable “day of the week” simply becomes “time”, and is constant for all Icelandair ads. The same goes for “position”, as the ads are, when displayed, occupying the same location, with variations because of quality and bids, on the Search page. The ads oscillate between the first and third commercial link, their general location being taken as a constant. Richardson, Dominowska & Ragno (2007) found a relation between the position of an ad and its success. The “message length” doesn’t impact the Google search ads, as their format is very short and quasi-identical. As it is very rare to encounter shorter ads, the message length has been taken out of the framework. The concept of the “Fans” variable only applies to Facebook, with little adjustments for other social media. The “Boost” variable cannot be applied either, because by definition, AdWords is a paid search tool, and all the ads are paid for. The last constant for control variables is “keywords”, staying the same for the duration of the study, and being categorized between branded keywords and other keywords. The branded keywords refer directly and especially to the Icelandair brand, while other keywords are involved in the high competition from the industry, such as the destination related keywords.

In this particular case, as the Click-Through-Rate is the measurement for ad success, as suggested by the studies of Rutz & Trusov (2011) and Richardson, Dominowska & Ragno (2007). This way, all the ads through the account are on the same level and be treated in the same dataset. Only the content matters and makes a difference on the CTR. The only risk could be that due to very low number of times certain ads were shown, they could have a higher CTR than they would normally achieve. The modified model is shown in figure 8.

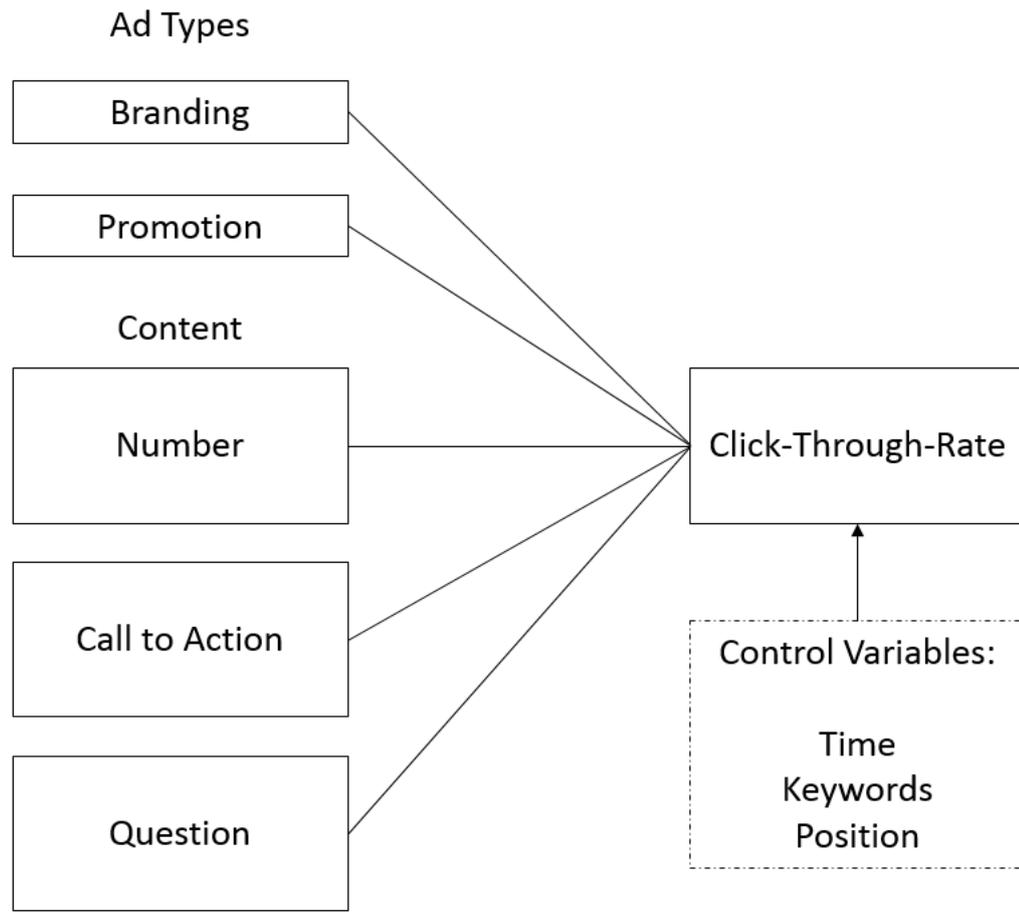


Figure 8 Adapted framework

Since the created framework was based on previous work on social media and not search marketing, a few hypotheses have been made in order for this framework to be significant and valid. Also, the research on the success of Google Ads related to their content are almost non-existent, and some material could be found only in the study made in 2011 by Rutz & Trusov. The first one is that the Click-Through-Rate can be used as a measurement of the success of an ad. Boostblog.com suggests that the CTR can be used as a measurement of the success of an ad, by using solely this indicator to see the difference between two ads. This hypothesis is also supported by searchenginewatch.com, and multiple studies such as Rutz & Trusov (2011). The second one is that the more informative the ad is, the more successful the ad is. The third one is that the more promotional an ad is, the less successful the ad is. The fourth one is that the presence of numbers in the ad influences positively the CTR, as hinted by presentations during the RIMC 2016, and supported by Rutz & Trusov (2011). The fifth one is the

presence of a call to action in the ad influences positively the CTR. Rutz & Trusov, in 2011, found that the presence of a call to action influenced positively the CTR. The sixth one is the presence of a question in the ad influences positively the CTR, once again, as suggested by boostblog.com. The table 2 below summarizes the hypotheses.

Table 2 Framework Hypotheses

Number	Hypothesis
H1	the click-through-rate can be used as a measurement of the success of an ad
H2	the more branded the ad is, the more successful the ad is
H3	the more promotional an ad is, the less successful the ad is
H4	the presence of numbers in the ad influences positively the click-through-rate
H5	the presence of a call to action sentence in the ad influences positively the click-through-rate
H6	the presence of a question in the ad influences positively the click-through-rate

5.3 Study Design

5.3.1 Data

The analysis was conducted by using the data of the Google search network ads French Icelandair account, active and remained unchanged over the period starting from September 1st 2015 to April 1st 2016. It is important to specify unchanged, since the Google Ads can be edited in Google AdWords, and they will take up the CTR and statistics of the previous ads. A total of 360 ads were used for the study. However, out of the amount of ads, only 128 ads were active, unchanged, and were shown by Google search. Thus, 128 ads compose the study.

All the information about the ads were collected manually, by going through the Icelandair French AdWords account. The period starts on September the 1st 2015 as it is the furthest time away the author could be assured the ads weren't edited.

5.3.2 Categorization

All the different ads were categorized. At first, the ads were categorized according to different levels of branding and promotion. Then, their content was identified, to find the contents "Price", "Call to Action" and "Questions". Icelandair is marketing its services

across different markets, that all have their own language, and associated AdWords account. In the concern of getting the subtleties of each ad, the author chose to focus on the ads in his mother tongue: French.

5.3.3 Procedure

When the categorization of the ads was completed, the data was analyzed using the multiple regression technique. The dependent variable indicating the success of a search ad is the Click-Through-Rate (Y), being the ratio of the clicks an ad got during the selected period of time over the number of times the ad was shown during the same period. The CTR is supposed to be assimilated as a count data, ranging from 0 to 10 000 (0 to 100%), and thus follow a Poisson distribution. Most of the variables used in this analysis, being all the independent variables are dummy variables, since not numerical. The model could then be fitted to be linear, and could be used for the multiple regression. The first independent variable is “branding”, ranged on a scale from 1 to 3 based on intensity levels (low, medium, high). The same goes for “promotion”, ranged on a scale from 0 to 2 (none, low, high). Then the other variables “number”, “question” and “CTA” are ranged between a 0 and 1, the former for their absence, and the latter for their presence. Finally are the control variables, being “time”, “position” and “keywords”. Time is a dummy variable, marked by a 0 if the ad wasn’t showed all the time, and 1 if it was. The same goes for keywords, being marked as a 0 if the keywords are promotional oriented, and 1 if they are branding oriented. The position is a scale, and the higher it goes, the lower the position, with 10 (or 1.0) at the bottom. The model of the regression is shown below, with an explanation of the variables in Table 2.

$$Y_j = \alpha + \exp \left(\sum_{f=1}^3 \beta_f brand_{fj} + \sum_{g=1}^2 \beta_g promo_{gj} + \beta_n numb_j + \beta_q quest_j + \beta_c cta_j + \beta_t time_j + \beta_k keywords_j + \beta_p position_j \right) + \varepsilon_j$$

Table 3 Structural Model Variables

Factor	Explanation
Y_j	Click-through-rate per search ad j
brand j	dummy variables indicating whether the information characteristic f is present or not in search ad j (base category is low branding)
promo j	dummy variables indicating whether the promotion characteristic g is present or not in search ad j (base category is no promotion)
price j	dummy variables indicating whether search ad j contains „price“ (base category is no price)
quest j	dummy variables indicating whether search ad j contains „question“ (base category is no question)
cta j	dummy variables indicating whether search ad j contains „call to action“ (base category is no call to action)
time j	dummy variables indicating when search ad j can be found on a search page
keywords j	dummy variables indicating what kind of keywords are triggering the apparition of the search ad j
position j	scale indicating where search ad j can be found on a search page
ε_j	normally distributed error terms for dependent variable y

5.4 Icelandair ad content

There are three distinct features categorized in the Google search ads, which potentially influence the success of an ad. Those features are the presence of numbers, questions, and call to action. Other than that, ads can be labeled with different levels of branding, or promotional content.

5.4.1 Ad Types

The ad types are based on the Sorensen (2015) model over the post contents “informative” and “promotional”.

According to the Oxford Dictionary (2016), branding is the promotion of a particular product or company by means of advertising and distinctive design. Thus, the branding ads need to display the distinction between Icelandair and the competitors. The informative ads, or pure branding ads, are used to increase the awareness of the brand over its products and services. In 2012, Vries, Gensler and Leeflang defined informative social media posts as posts that contained information about the company, the brand or its products. In this thesis, the informative or branding ads will be associated with ads containing either the Icelandair brand name or information about a service. Branding ads will contain information about the brand in general, such as the company name, but also exclusive and general services, such as the free stopover on the way to North America, or second free baggage for transatlantic flights.

On the other hand, promotional ads are about pushing the Icelandair service to the customer, and enhance their attractiveness compared to the competitors, or as according to the Oxford Dictionary (2016), the publicizing of a product, organization, or venture so as to increase sales. Cvijikj and Michahelles (2011), define the promotion as the advertising of existing products. In this thesis, the promotional posts will be categorized as such because they are linked directly to a specific product page, or contain a precision on the product, that is not implied by the stature of the airline.

5.4.2 Content

The numbers present in the ad can be either sheer numbers, in order to gain some space with numerical information, or a pricing indication. Rutz & Trusov (2011), in their study, used the appearance of the price in an ad as a factor to measure its success. Nonetheless, the numbers are a way to attract the customer, since they differ from the letters and are

synonym with information about the product. For Icelandair, the presence of numbers is associated with the price, “2 destinations in 1”, or “3h from Iceland”.

The questions are commonly used in search advertising. Mostly rhetorical, they play with the curiosity of the potential customers, triggering an answer, and the need to discover more. They place the thinking in the hands of the customer, who will project himself with the question and answer. The kind of questions Icelandair uses will be oriented to the destinations, such as “Want to discover Iceland?”.

Finally, a call to action is used as a persuasive method, by addressing the customer directly. The Oxford Dictionary (2016) defines the call to action as a piece of content intended to induce a viewer, reader, or listener to perform a specific act, typically taking the form of an instruction or directive. Often in the form of an imperative sentence, they invite the customer to leap forward to the offer or product proposed by the ad. The call to action used by Icelandair often take the form of an imperative sentence, such as “Book now!”, or “Discover Iceland!”. Table 4 explains the different types of content and levels of branding and information.

Table 4 Ad content types and examples

Content type	Explanation	Example
Branding	LOW : Presence of the brand name in the description or display URL	“From Paris with Icelandair” “www.icelandair.fr”
	MEDIUM Presence of the brand name in the headline	“Flight Iceland – Icelandair”
	HIGH Precision, statement of a Unique Selling Point (USP)	“Stopover in Iceland at no additional airfare”
Promotion	NONE No direct promotion of a specific product from the company	
	LOW Ad linking to a product page	“icelandair.fr/Washington-vol”
	HIGH Precision, statement on a feature of the product that is not already assumed by the customer	“Possible stopover in Iceland”
Number	Presence of numerical characters in the ad	“2 destinations in 1” “Washington from 535€TTC”
Question	Presence of an interrogative sentence, ended by a question mark	“Want to see Washington?”
Call to Action	Presence of a sentence in an imperative form pushing the customer to leap towards the product	“Book now!”

6 Results

The following chapter displays, firstly, the descriptive statistics applied to the AdWords account gathered data. Then, the results of the multiple regression will be presented. The end of the chapter will consist on the discussion about the raw results and their meaning towards the hypotheses, and the limitations of those results. For the multiple regression, the dataset was at first taken as a whole (128 ads), and, for a deeper analysis, the promotion oriented with the help of keywords ads were taken separately (98 ads). The author proceeded this way because it was stated clearly that the promotional ads, relying on non-branded keywords, were exposed to a much fiercer competition, resulting in a lower average CTR. The Branding ads were then taken out of the equation, to reveal if the independent variables had a different impact on promotion focused ads.

6.1 Descriptive statistics

The deep analysis of the dataset gives numerous results, however, the most interesting and significant features are the frequency, mean and standard deviation. Only those statistics will be presented in this section.

6.1.1 Frequencies and percentages of Ads and content types.

The frequency and percentages of ad types and content types is shown in the table 5. All the Icelandair ads were branded, due to the nature of the ad, which is created to promote the brand. However, only 19.5% of the ads comported a medium or high level of branding, respectively the name Icelandair in the ad headline (7.8%), or specific information about the brand (11.7%). The rest of the ads (80.5%) only comported the Icelandair name in the description or Display URL.

As suggested by the very nature of ads, only 11.7% of the ads didn't possess content promoting directly a product. The 88.3% left are distributed between a low level of promotion, being a direct link to a product page (26.6%), and the presence of some exclusive information on the product or service (61.7%). To summarize, the promotion aimed ads are far more prevalent than the branding ads.

Regarding the type of content present in the ads, almost 47% contained a number, being an indication on the price of the promoted product or simply a numerical information. 15.6% of the ads displayed a sentence with a question mark, and 65.6% showed a clear call to action, inciting the customer to click on the ad and check out the offer behind.

Table 5 Frequency and Percentage of Ad types and content

	Frequency	Percent
Branding		
Level		
Low	103	80,5
Medium	10	7,8
High	15	11,7
	128	100,0
Promoting		
Level		
None	15	11,7
Low	34	26,6
High	79	61,7
	128	100,0
Number		
None	68	53,1
Number	60	46,9
	128	100,0
Question		
None	108	84,4
Question	20	15,6
	128	100,0
CTA		
None	44	34,4
CTA	84	65,6
	128	100,0

6.1.2 Mean and Standard deviation of independent variables

The table number 6 shows the mean and standard deviation for the CTR of ads and content types.

The highest CTR is achieved on average by the Medium branded ad character, when it comes to Branding, with an average CTR of 1624.60 (16.25%), and a standard deviation of 532.485. Then comes the High level of branding character, with an average CTR of 1614.67 (16.15%), and a standard deviation of 1306.921/ Finally, the low level of branding character has an average CTR of 773.67 (7.74%), and a standard deviation of 585.155.

It is shown that the highest CTR, all variables taken into account, comes from the ads that do not contain any specific product to advertise, with an average of CTR of 1984.27 (or 19.84%) and a standard deviation of 1015.62. The low level of promotional content character has the lowest of all CTR means, with 728.59 (7.29%), and a standard deviation of 631.245. The high level of promotional content character has a mean of 830.61 (8.31%)

and a standard deviation of 613.492.

Concerning the actual content and text in the ads, the call to action has the highest average CTR, with 1065.30 (10.65%), and a standard deviation of 825.606. then comes the presence of numbers, with an average CTR of 924.35 (9.24%) and a standard deviation of 701.743. Finally, the presence of questions has an average CTR of 997.25 (9.97%), and a standard deviation of 854.547.

Table 6 Means and Standard Deviation of the Dependent Variables regarding Ad and Content Types

Ad Type / Content	Mean	Std. Deviation
Branding		
	Level	
	Low	773,67 585,155
	Medium	1624,60 532,485
	High	1614,67 1306,921
Promotion		
	None	1984,27 1015,062
	Low	728,59 631,245
	High	830,61 613,492
Content		
Number	924,35	701,743
Question	997,25	854,547
CTA	1065,30	825,606

The table 7 shows the descriptive statistics for the control variables “time” and “keywords”. All the ads were active during the whole period chosen for the study. Therefore, their frequency is 100%. Out of the 128 ads, 30 presented branding oriented keywords, such as the company name. This represented 23.4M of the ads, while 76.6% were keywords related to specific products or destinations.

6.1.3 Descriptive statistics of control variables

Table 7 Descriptive Statistics for Time and Keywords

Control Variable		Frequency	Percent
Time	No	0	0%
	All the time	128	100%
Keywords	Promotion	98	76.6%
	Branding	30	23.4%

The table 8 shows the descriptive statistics for the control variable “position”. When all the dataset was taken, the position of ads was on average 17.34, with a standard deviation of 15.181. The minimum on the scale was 10, and the maximum 64. It is important to remember that the scale is inverted. So, the higher the score on the scale, the lower the ad was positioned. When only promotional oriented ads were taken into account, the average position dropped to 23.65, with a standard deviation of 12.352. The minimum and maximum stayed 10 and 64.

Table 8 Descriptive Statistics for Position

Ads	Control Variable	Position
All ads	Mean	17.34
	Std. Deviation	15.181
	Minimum	64
	Maximum	10
Promotional ads	Mean	23.65
	Std. Deviation	12.352
	Minimum	10
	Maximum	64

6.2 Multiple regression

In table 9 are displayed the estimation results of the linear multiple regression analysis conducted on the whole dataset. It is clear that the variables in place in the hypothetical model have a different impact.

The ANOVA revealed that the hypothetical model created for the need of this study was significant as a whole, since its F value is 7.803, and Sig. = 0.000, which is inferior to 0.01. Those numbers are justifying for the levels of R Square at 31.3% and adjusted R Square at 27.3%, which are judged reasonable for the variance of the dependent variable being CTR. The branding and informational ads as a whole are significantly related to the rise of the CTR ($\beta_{\text{branding}} = 0.293$, p-value <0.01), while the promoting and persuasive ads as a whole are significantly and negatively related to the rise of the CTR ($\beta_{\text{promotion}} = -0.134$, p-value <0.05). The presence of numbers is non-significantly related to the CTR, and the same goes for the presence of questions. However, the presence of a call to action sentence is significantly related to the CTR ($\beta_{\text{cta}} = 0.154$, p-value <0.05). The time control variable was excluded from the regression, since its value was the same for all ads. The position variable is significantly and negatively related to the CTR, with $\beta_{\text{position}} = -0.241$, and a significance inferior to 0.05. The variable keywords is not significantly related to the CTR.

Table 9 Multiple Regression analysis of all ads

Ad Type / Content		CTR
Branding		
	No branding	-
	Branding	0.293
Promotion		
	No promotion	-
	Promotion	<i>-0.134</i>
Content		
Number	No number	-
	Number	0.090
Question	No Question	-
	Question	0.035
CTA	No CTA	-
	CTA	<i>0.154</i>
Control Variables		
	Time	-
	Position	<i>-0.241</i>
	Keywords	0.067
Constant		
	N	128
	F-Value	7.803
	R Square	0.313
	Adj. R Square	0.273

Italic Figures : p-value < 0.05

Bold Figures : p-value < 0.01

All coefficients are unstandardized

The results from the second multiple regression analysis are displayed in table 10. The second multiple regression was applied on the dataset after the branding oriented ads were taken out, in a concern of different settings and the absence of branded keywords, which then couldn't prevent the ads to be in a more competitive environment. This model, following the other one but just taking the branded ads out of the equation, is significant as a whole, with an F-value at 4.534 and a p-value inferior to 0.01. The R Square at 19.8% and adjusted R Square at 15.4% are then justified, and are judged reasonable for the

variance of the dependent variable of CTR. As suspected, the Promotion variable is not significantly related to the CTR as a whole, since only the promotional ads were taken into account. The same goes for the call to action, and the presence of questions. However, it was revealed that the presence of a numbers in the promotional ads was significantly and positively related to the CTR, with $\beta_{\text{number}} = 0.266$, and a significance inferior to 0.05. Finally, the control variable position is significantly and negatively related to CTR, with $\beta_{\text{position}} = -0.294$, and a significance inferior to 0.01.

Table 10 Multiple Regression Analysis of Promotional ads

Ad Type / Content		Log CTR
Promotion		
	No promotion	-
	Promotion	-0.074
Content		
Number	No number	-
	Number	<i>0.266</i>
Question	No Question	-
	Question	0.124
CTA	No CTA	-
	CTA	0.170
Control Variables		
	Time	-
	Position	-0.294
	Keywords	-
Constant		
	N	98
	F-Value	4.534
	R Square	0.198
	Adj. R Square	0.154

Italic Figures : p-value < 0.05

Bold Figures : p-value < 0.01

All coefficients are unstandardized

6.3 Discussion

The multiple regression proved the model to be significant as a whole, with acceptable R squares levels. This confirms the hypothesis that the click-through-rate can be used as a measurement of the success of an ad, as suggested by the experiments made by boostblog.com, and supported by Rutz & Trusov (2011). The model and variables are functional, and might work with any company applied. The results on content and kind of ads, on the contrary, might be applicable to Icelandair only.

The positive significance of the branding variable, shown in Table 9, indicates that the second hypothesis, stating that the more an ad is branded, the more it is likely to drive clicks and success, is true. Indeed, the higher the branding score was in the dataset, the higher the ad CTR usually was. The results were different than the original variable “information” taken from the Sorensen model, which had similar results with the study by Vries *et al.* 2012.

Inside the whole model, it was seen that the third hypothesis, being that the more promotional an ad is, the less successful it is, seemed to be true for the Icelandair case. The results were significant, but negatively related to the CTR, as Table 9 shows. This suggests that in the case of Icelandair, the more promotion oriented an ad is, the least it will drive success. Those results are echoing the results of Sorensen (2015), as well as the results from Vries *et al.* (2012), who found that when it comes to Facebook posts, the ones containing promotional content were less successful than other kinds of content. This might be explained by the fact that promotion oriented ads are present in greater numbers than the branding oriented ones. Also, the different keywords used for the branding and promotion oriented ads might play a big role. The promotion oriented ads use non branded keywords, and are in competition with the ads and products of other companies.

The results concerning the fourth hypothesis, stating that the presence of numbers in the ad have a positive effect on the CTR, are more tainted. When the dataset was taken as a whole, even if the presence of numbers was declared to have a positive effect on the CTR, the variable was not judged as significant as Table 9 demonstrates. When only the promotion oriented ads were taken into account as in Table 10, the presence of numbers was significantly and positively related to CTR. This shows that the presence of numbers is affecting positively the CTR, and that the hypothesis is true for a certain type of ads, being the promotion oriented ads. This goes against the general findings of

searchenginewatch.com, which doesn't recommend to put numbers or prices in the ad, but with the findings of Rutz & Trusov (2011).

The fifth hypothesis, concerning the positive relation between the presence of a call to action and the CTR was revealed to be true. The multiple regression on all the ads showed a significant, and positive relation between the presence of a call to action and the ad CTR as seen in Table 9, while the regression on promotion oriented ads showed a positive, but not significant relation, mostly because the call to actions were present on most of the promotion oriented ads, as shown in Table 10. Once again, the results go against the findings of the website searchenginewatch.com, which doesn't recommend to use exclamation points, or the word "now". However, the results go along the boostblog.com findings and tips, who recommend having an appealing call to action, as well as the findings of the Rutz & Trusov (2011) model.

The multiple regression showed that the presence of questions, in the case of Icelandair, didn't have any effect on the CTR. Indeed, as seen in Table 9 and Table 10, the presence of questions was not significantly related to the CTR, either when the whole dataset was taken, or when only the promotion oriented ads were taken apart. The results gathered by boostblog.com don't seem to apply to Icelandair.

It was also revealed that the control variable "position" had an influence on the success of an ad. The multiple regression showed that the position was significantly and negatively related to the CTR. As the scale is inverted, it means that the position has a positive influence on the CTR, as the results of Rutz & Trusov in 2011 and Vries et al in 2012 were suggesting.

In the end, some hypotheses were confirmed, and some not. The CTR can be used as a measurement of the success of a Google ad. Also, the more the ad is branding oriented, the more successful the ad is. The presence of a call to action positively influences the CTR, as well as the presence of numbers when in promotional ads. It is however unclear if the more an ad is aimed at being promotional the more it is successful, and the research tends to show the opposite. Finally, the presence of questions doesn't affect the CTR. The study then answers both research questions. There are factors influencing the success of Google ads, in a positive or negative way, as well as others that don't have a significant impact. For instance, the more a promotion is visible in an ad, the least it will achieve success. The presence questions don't influence the success of the ads. Then, the factors

influencing positively the success of Google ads, and that Icelandair should display a branding orientation, a call to action, and display some numbers. The position of the ad on the search page is also an important factor of success. The ads that are positioned higher are more likely to achieve success.

In further study, it could be interesting to compare the results of the framework on all the Icelandair accounts, to see what the differences are, and what kind of content is triggering interest or aversion in each market. Also, an attempt could be made to include the ad extensions in the framework, since they are a valuable tool, and increase the display space of the ads.

6.4 Limitations

As declared previously, the newly created framework delivered some valuable information concerning the qualitative view on Google ads. However, it is also possible for it to evolve and improve.

The first thing that comes to mind is that there might be an even clearer separation between the Branding oriented ads and Promotion oriented ads. These could be treated as two different and separated variables and datasets to conduct further studies. Indeed, the results were different with the variable “numbers”, when only the promotion ads were taken. The variable “keywords”, in further studies, could be a source of categorization of the ads, rather than a simple variable.

Also, some further research can be conducted on the role and help the ad extensions provide to the original ad. They play a role in the exposure the ad receives, and deliver some extra information, that might make the user decide to click on the Icelandair ad.

Finally, the research was conducted on only one market in which Icelandair operates. The French market is not their most active market, and some research could be conducted either on other markets, or on the company as a whole.

7 Conclusion

The purpose of this study was to create a functional framework, capable of classifying the different types of google ads and their content, in order to determine which kinds of content were more likely to increase the ad popularity of Icelandair ads among potential customers being Internet users. The subject, and especially from the qualitative side of ads, is largely uncovered, and only very few scientific articles such as Rutz & Trusov (2011) and hardly any academic paper focus on it. The success of such ads was evaluated using the Click-Through-Rate, a ratio between the number of clicks the ad receives and the number of times it was displayed on a Google search page. The study was conducted by using data from the Icelandair French AdWords account, that were running the whole time between the 1st of September 2015 and the 1st of April 2016, with the guarantee that they were not modified or edited during the period. The ads were then collected and analyzed to classify them in function of their branding or promotional character degree, and the kind of content they displayed. Further in the analysis, the promotional character ads were taken apart from the branding character ads.

The choice of using Icelandair as the support and central subject was taken for multiple reasons. Firstly, the company has been growing really fast these past years, due to its performance and service, but also thanks to its efficient marketing. Hence it was of interest to see how a successful company handled their Search Marketing strategy. Secondly, Icelandair has been using Google AdWords to be present and consistent on all platforms and supports, especially on foreign markets such as the Continental Europe ones. As of today, Icelandair wants to get more out of the AdWords tool, and use it to generate new leads on the website and drive more sales through the online platform. The aim is to attract new potential customers on the Icelandair routes, gaining market share from its competitors, and particularly for transatlantic flights. Thirdly, the competition between airlines has become fiercer, and it is becoming more and more vital to differentiate themselves from the competition, and that also means optimizing their media operating channels. Finally, as my new responsibility within Icelandair is to take care of the development of the AdWords accounts in Continental Europe, using Icelandair as a subject and support for the research was only obvious, and will help me to understand better the needs of the company in Search Marketing.

The level of branding clearly seems to affect the popularity and success of the ads. The multiple regression indicated a significant and positive relation between the level of branding the ad displayed and the rise of the CTR. The higher the level of branding is, the higher the CTR. This is explained also by the fact that users use the branded “Icelandair” keywords to find the branding oriented ads.

When it comes to the promotion aim of the ads, the results are more mixed. When taking the dataset as a whole, the multiple regression suggested that there was a significant and negative relation between the promotive aim and the CTR, meaning that when the promotion increased, the CTR decreased. When taken on their own, the promotion aimed ads were also negatively related, but not significant, as they were the only ones composing the dataset. These results suggest that promotion oriented ads generate a lower CTR. Although true, it might be explained by the difference of concurrence between branded ads, which use branded keywords, and promotion ads, which use the same keywords as the other competitors.

There were some revelations concerning the content of ads. When the dataset was taken as a whole, the presence of a call to action such as “book your ticket online now!” within the ad was determined to be significantly and positively related to the CTR, while it was judged non-significant when the dataset was composed of only the promotional oriented ads, because composing the majority of them. The presence of numbers was determined insignificant when the whole dataset was in play, but it turned out to be significantly and positively related to the CTR when only promotional ads were used. It suggests that the presence of questions has a bigger impact on the promotional oriented ads. Finally, the presence of questions was insignificantly related to the CTR regardless of the dataset.

Out of the 3 control variables, being “time”, “keywords” and “position”, only the position was revealed significantly related. The scale was inverted, meaning that the negative relation is actually showing that the better the ad is positioned, towards the top of the search page, the better are the results of this ad.

The model created for this study, based on the framework created for social media use by Vries *et al.* in 2012 and the Google ads model by Rutz & Trusov in 2011, seems to be functional, and revealed some precious information. However, some aspects could be improved, as seen in the limitations. The extensions, a precious tool to increase precisions on the company and product, could be added to the study and framework.

7.1 Managerial Implications

By only looking at the results, it would be advisable to Icelandair to create more branding ads to display on the Search Network. The strong branding message, being the name of the company in the headline or some information on their Unique Selling Points, seemed to drive a better success to the ads than any other kind of message. The presence of a call to action also increases the CTR, and Icelandair should try to make the most out of it, by placing a CTA on the biggest number of ads they can. The presence of questions, however, wasn't judged significantly related to the CTR. There is then nothing against putting some in the ads, as they don't affect the CTR negatively, and are providing a precious information on the product the ad is about. The presence of numbers, on the other hand, is significantly related to the success of an ad, when promotional oriented. It would then be advisable for Icelandair to put numbers in their ads.

Also according to the results, Icelandair should try to reduce the number of promotional message ads. The limitations and differences in the results also showed that they were apart, and needed to be treated differently. They go toe to toe with the competitors' ads, and even if they drive less CTR, they need to be displayed in order to expose the brand to the potential customers. It was proved that the presence of numbers in the promotional ads had a real impact on the CTR, and the Icelandair ads should include more of this content.

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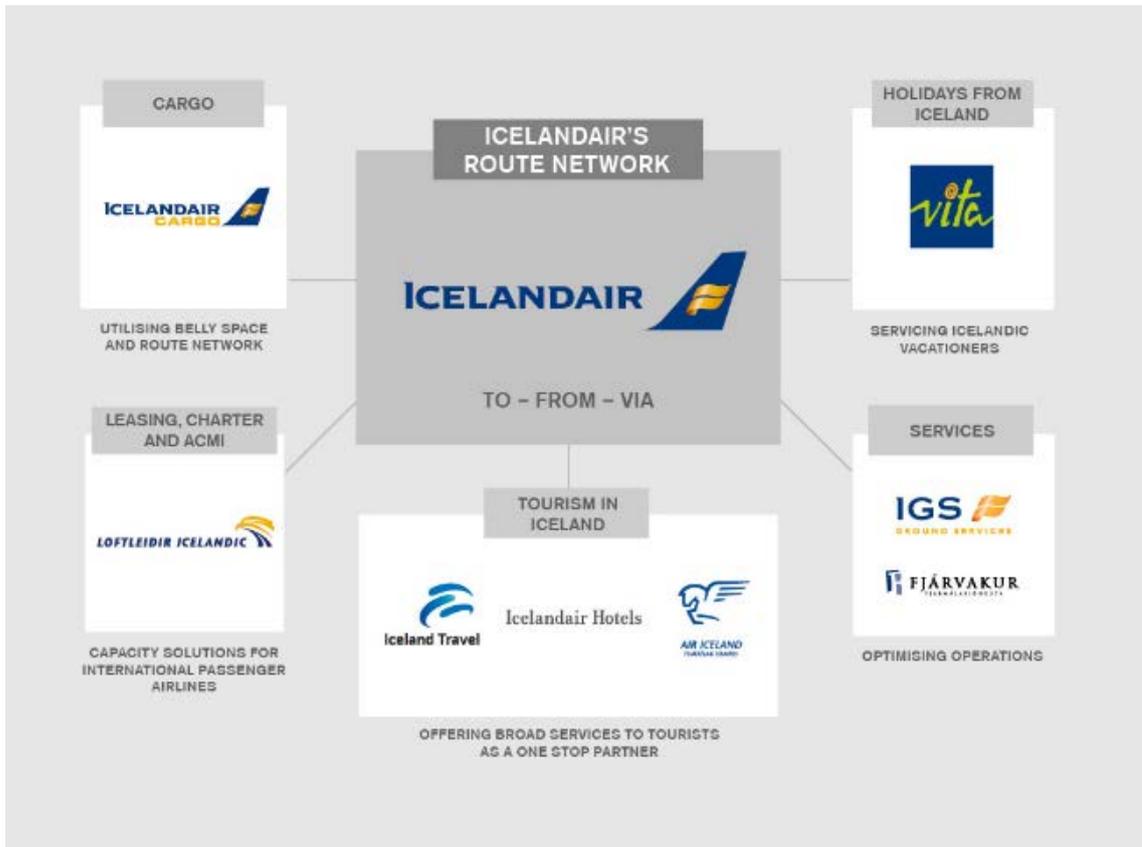
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Appendix A – Icelandair Group



Appendix B – Conceptual framework

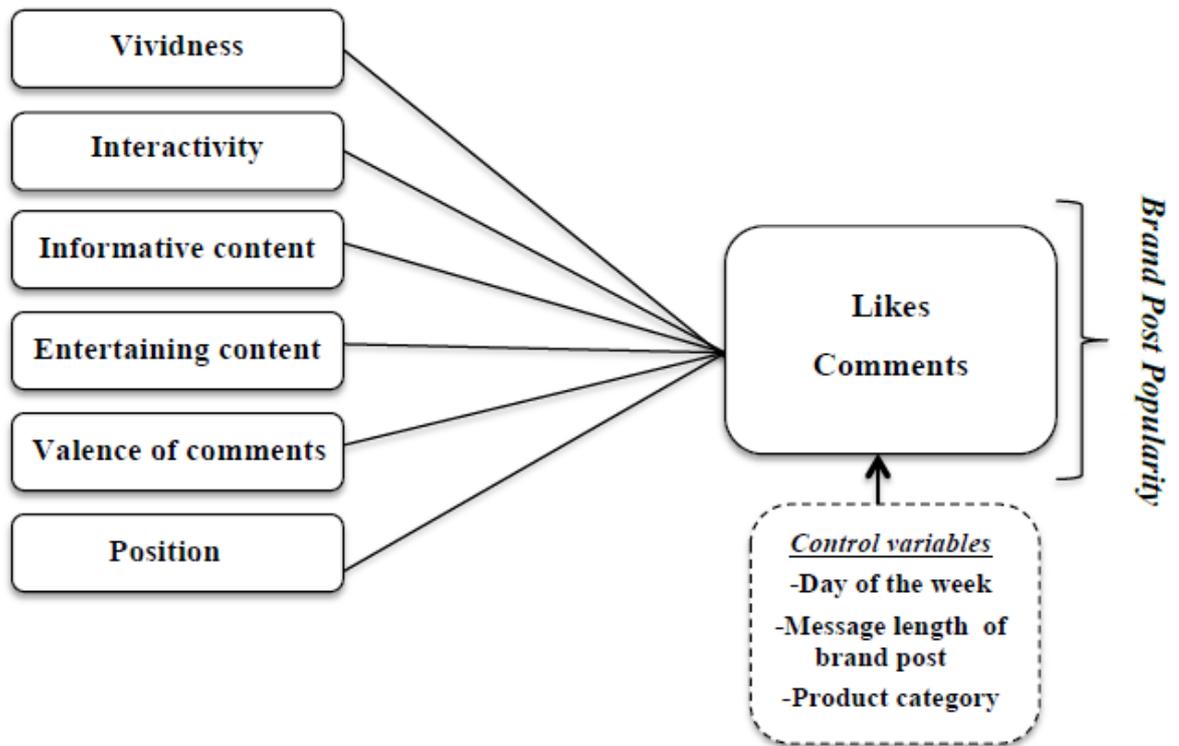


Figure 9 Conceptual framework from “Popularity of Brand Posts on Brand Fan Pages: An Investigation of the Effects of Social Media Marketing”, by Vries *et al.*, 2012, Journal of Interactive Marketing.

Appendix C – Examples of Icelandair Google Ads

Vols Islande - Icelandair
icelandair.fr/Islande-Vols
La compagnie régulière islandaise Réservez votre billet en ligne !

Figure 10 Example of Branding oriented ad with a call to action

Voyagez avec Icelandair - Envie de voyage ?
icelandair.fr
Islande, USA et Canada sont à vous

Figure 11 Example of Branding oriented ad with a question

Court-séjour en Islande
icelandair.fr/Sejour-Islande
Vols + Hôtel à partir de 349€ TTC Réservez maintenant avec Icelandair

Figure 12 Example of Promotion oriented ad with a number and a call to action

Envie de Washington ?
www.icelandair.fr/washington
Envolez-vous avec Icelandair Escale en Islande gratuite possible

Figure 13 Example of Promotion oriented ad with a question



The screenshot shows a Google search interface. The search bar contains the text 'icelandair'. Below the search bar, there are navigation tabs: 'Alle' (selected), 'Flüge', 'News', 'Bilder', 'Videos', 'Mehr', and 'Suchoptionen'. Below the tabs, it says 'Ungefähr 4.720.000 Ergebnisse (0,62 Sekunden)'. The first search result is for 'icelandair.de - Icelandair-Flüge'. It includes a yellow 'Anzeige' (Advertisement) label, the URL 'www.icelandair.de/', and the text 'nach Island, USA & Kanada Buchen Sie jetzt günstige Flüge! Über 75 Jahre Erfahrung · Pünktlichkeit · Günstige Tarife · Mehr Beinfreiheit'.

Figure 14 Example of Icelandair ad in position 10 (or 1.0)