Modern marketing techniques

Google AdWords project offers insight into online advertising

BY MALIA SPENCER

In 2006, Internet advertising was 7 percent of ad spending.

This year, that number is expected to jump to roughly 14 percent and increase even more in the next two to three years, said University of Pittsburgh associate professor Vanitha Swaminathan. As a result of that trend, Swaminathan is adjusting her marketing classes at the Katz School of Business accordingly.

Last fall, Swaminathan incorporated online advertising strategies — in the form of a Google AdWords project — into her marketing management class. The MBA students were teamed with local companies and challenged to create an effective campaign with just $100.

“It was amazing to me that (Internet ad spending) was not only growing but almost doubled in the short period of two years,” she said. “I thought this would be important in the next two to three years, and students coming out of MBA programs needed to know how to set up an advertising campaign online.”

Because online advertising can be highly targeted and analytics can be gathered quickly, it differs from more traditional advertising campaigns in print or broadcast media, she said. In the case of Google AdWords, an advertiser can select an area, like a radius around where a business is located, to target and, based on a computer’s IP address, only those people in the specified area will see the ad. The ad also is only visible to potential customers who type in search words that match key words selected by the advertiser.

“It doesn’t entirely level the playing field, but it makes it more accessible for smaller businesses to compete with businesses spending millions and millions,” on a nationwide campaign, she said.

The course, which is a core class for marketing MBA students, had three sections and roughly 50 students. The students were broken into groups of about five and were paired with 30 local companies, Swaminathan said.

The student feedback on the class was positive, she said, and everyone regardless of discipline was able to see how this new medium is developing.

“For MBA students, it’s a great opportunity to understand return on investment, you get a lot of analytics quickly,” she said, adding there already is discussion of expanding the scope of the class and making digital marketing and analytics a part of the curriculum.

One group saw an extraordinary return when their company was able to sell a $20,000 piece of equipment based on the $100 ad campaign the students launched, she said.

Using the Google Analytics platform, students were able to tweak their campaigns as needed and could track the click-through rates, as well as the effectiveness of key words and where users were coming from.

“The vast amount of information you get with advertising online, understanding that will be a much needed skill in the future,” she said. “That is one of the things that as a school we are trying to evolve as a curriculum and develop a skill base in analytics.”

Pitt professor Vanitha Swaminathan with two of her marketing students, Jim Buscaglio, left, and Dethrell Garcia, who worked on her Google AdWords project.