

The Google Online Marketing Challenge: Hands on Teaching and Learning

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Abstract

The Google Online Marketing Challenge is perhaps the world's largest in-class competition for higher education students. Merging education with hands-on advertising, the Challenge exposes students to the increasingly important field of online marketing, engages students with local businesses and gives students the thrill of an international competition. Feedback from participating students, academics and businesses in the inaugural Challenge was overwhelmingly positive. Based on experience and feedback, Google plans an improved version in 2009. Global organisations such as CHRIE should consider a special division for hospitality and tourism students in the 2009 Challenge.

Introduction

From February to May 2008, over 8,000 students in 369 university classes in 47 countries across six continents participated in the inaugural Google Online Marketing Challenge. Unlike most competitions or class projects that simulate real world conditions or craft hypothetical marketing plans, students in the Challenge developed and implemented online marketing campaigns for real clients and spent real money. Teams of four to six students had US\$200 in AdWords – Google's flagship advertising vehicle that accounts for over 90% of Google's revenue – to drive online traffic to a small- to medium-sized enterprise (SME) website. In addition to applied online marketing, students gained the experience of teamwork and acting as consultants for SMEs.

The Challenge was a successful learning experience. An ecstatic academic lauded The Google Online Marketing Challenge as "a win for the students, local businesses, me, the university, and for Google. This was far and away the best group project I have ever had in my 10 years of teaching."

This *Viewpoint* shares insights from two academics and two *Googlers*, who developed and ran the Challenge. Educators will gain knowledge about running the Challenge in their class, a novel way to liaise with SMEs and future research avenues using a public dataset of survey responses from participating educators, students and SMEs. The paper opens with an overview of Google AdWords and the Challenge, followed by suggestions for running the Challenge as a class exercise. The paper closes with a few results from the three surveys that highlight the educational benefits of the Challenge, and a call for a special CHRIE version of the Challenge in 2009. Given the global nature of the participants, this paper often uses the generic term *academics* to represent professors, instructors, lecturers and tutors who administered the Challenge in their classes.

AdWords and AdSense

Similar to new media mimicking earlier media, such as early television broadcasts resembling radio broadcasts (Fidler, 1997), pioneering website advertising resembled traditional mass media advertising. Starting with the HotWired website in 1994, advertisers paid for graphical advertising banners based on impressions – how many visitors could possibly see a banner on a web page (Fain & Pedersen, 2005; Jansen & Mullen, 2008). Similar to the conventional mass media concept of cost per thousand (CPM) impressions, rates ranged from \$10 to \$100 per thousand impressions (Murphy & Forrest, 1996). Yet CPM ignores if website visitors see, or click, the ad banner and similar to one-way mass advertising, fails to consider targeting and interactivity based on user interests.

Starting in 1998, search engines began to develop interactive advertising models based on user interests (Jansen & Mullen, 2008). The concept, *sponsored search*, aligns online advertisements with users' search engine queries. Rather than a CPM model based on impressions, this contextual advertising based on keywords charges advertisers on a cost per click basis. Furthermore, advertisers bid on the cost per click in a dynamic auction.

As the leading search engine, Google has driven developments in sponsored search with its flagship products AdWords and AdSense. The former places advertisements on Google and affiliated search engine, such as AOL.com and Ask.com, results. The latter dynamically matches ads to a web page's content, and pays the website owner if a visitor clicks on the ad. The *New York Times*, for example, earns AdSense revenue by placing 'Ads by Google' on its web pages. Google's content network for AdSense includes millions of sites in over 100 countries and 20 languages.

Traditional AdWords are simple text-based ads with four lines of copy, usually shown on the right-hand column of Google search results. The first line, or headline, has a maximum of 25 characters. The next two lines and the final line with the website address, each have a maximum of 35 characters. Two sample AdWords ads for the fictitious Tweed Heads Hotel in Australia follow. The copy is identical except for the second half of the second line, *reasonable prices* versus *superb rooms*. The first ad should interest value conscious market segments while the latter should attract consumers interested in the rooms.

Tweed Heads Hotel	Tweed Heads Hotel
Great sea views; reasonable prices	Great sea views; superb rooms
Central location on the beach	Central location on the beach
TweedHeadsHotel.com.au	TweedHeadsHotel.com.au

In addition to their simple and non-intrusive nature, AdWords advantages over traditional advertising such as print or television include segmentation and targeting. Advertisers select the Google search or content network keywords and the geographical location of the person doing the search. For geographic segmentation, the Tweed Heads Hotel might want its ads to appear only for people in a key source market such as the United Kingdom. To target consumer interests, the hotel could use keywords such as *beach*, *sea view*, *sea views*, *seaview* and *seaviews*.

As keyword ads should dominate Internet advertising for at least the next few years (IDG, 2008), and Google is a leader in keyword advertising, The Google Online Marketing Challenge offers a unique opportunity for students and educators to stay abreast of online marketing. As a participating academic argued, "It is important that business students have an opportunity to learn Search Advertising."

The Google Online Marketing Challenge

Designed as an in-class exercise, the Challenge suits undergraduate and graduate students in classes such as advertising, consumer behaviour, e-commerce, integrated marketing communications, marketing strategy and online marketing. Figure 1 below illustrates how the 2008 Challenge worked. Google will run a similar Challenge in 2009, albeit improving a few aspects based on experience and feedback from the 2008 Challenge.

Figure 1: How the Challenge Works



Source: www.google.com/onlinechallenge/images/about-2.gif

To participate, academics first register at the Challenge website, www.google.com/onlinechallenge. The site contains details on participating in the Challenge, access to free educational materials – textbook, student guides and an academic guide – and links to a wealth of AdWords resources. If interested, Google will provide registered academics with a free voucher to test-drive AdWords.

Once class starts, academics divide their students into teams of four to six students. Then the students or academics recruit a participating small-to-medium sized enterprise (SME) that has a website and is not using AdWords. The more cooperative and engaged the business, the better the results for students and the SME. An important learning experience is acting as consultants; students should understand that the client might not follow all their recommendations. Based on client meetings, and evaluating the client’s business and website, students develop and upload a two-page **Pre-Campaign Strategy** to Google.

Teams then run a three-week AdWords campaign for their client SME. A fascinating, some students said addictive, aspect of the Challenge was reviewing the myriad real-time campaign reports. As a participating academic noted, the Challenge ended up taking over students’ lives. “Some were getting in trouble for ‘text messaging’ in other classes,” but they were just checking their clicks. Based on their clicks and other results, teams adjust their campaigns – such as keywords or geographical targeting – in order to improve the campaign. At the close of the three-week campaign, teams write and upload a ten-page **Post-Campaign Summary** to Google. Most academics assessed their students on the Challenge grading criteria for the two written reports, Pre- and Post-Campaign.

Given the problem-based and experiential aspects of the Challenge, a major part of the Post-Campaign report is student reflection. With problem-based learning, the lecturer facilitates self-directed student teams to solve a complex problem with no single correct answer (Hmelo-Silver, 2004). That the students must reflect on their experiences enhances the academic value of experiential learning (Young, 2002). Albeit in a slightly different context, a recent article argues that hospitality educators should include reflective activities in their courses (Arendt & Gregoire, 2008).

Inaugural Challenge Results

The Challenge relied on three complementary quantitative and qualitative assessments to select the eventual Global and regional winners. As a first step, Google developed a proprietary algorithm to evaluate team campaigns on five criteria: account structure, optimization techniques, account activity and reporting, relevance, and performance and budget. The results of this algorithm trimmed the 1620 participating teams to 150 teams, 50 teams each in three geographical – Americas; Europe, Middle East and Africa; and Asia Pacific – regions. Next, Google AdWords experts reviewed these 150 campaigns and whittled the teams to five in each area, 15 teams.

Finally, a global panel of 14 academics (www.google.com/onlinechallenge/panel.html) judged the remaining 15 teams solely on the quality of their two written reports. Two panellists, with teams in the final 15, did not assess the written reports. Table 1 lists the winning teams, universities and academics. Three businesses related to tourism, three businesses were bakeries and two businesses dealt with sports. Illustrating that the Challenge suits different levels of students, undergraduate and graduate teams each showed good results.

Table 1: Winning Teams in the Inaugural Google Online Marketing Challenge

Academic	University	Country	Business	Website Address
Global Winner				
Fang Liu	University of Western Australia (undergraduate)	Australia	Indoor Rock Climbing	www.thehangout.com.au
Americas Winner, followed by the two Regional Finalists				
Jim Jansen	The Pennsylvania State University (undergraduate)	USA	Tourism	www.HappyValley.com
Theresa Flaherty	James Madison University (undergraduate)	USA	Cosmetics	www.marenick.com
Christoph Schneider	Boise State University (undergraduate)	USA	Extreme Sports Equipment	www.extremesportsandgear.com
Europe/Middle East Winner, followed by the two Regional Finalists				
Thomas Myrach	Universität Bern (graduate)	Switzerland	Travel Agency	www.aaretal-reisen.ch
Mario Fischer	University of Applied Sciences Wuerzburg (graduate)	Germany	Experience Days	www.flugAIRlebnis.de
Nebojsa Damjanovich	College for Modern Business Studies (graduate)	Hungary	Computer Rental	www.pcrent.hu

Asia Pacific Winner, followed by the two Regional Finalists				
Julien Cayla	Australian Graduate School of Management (graduate)	Australia	Specialty Cakes	www.fortheloveofsugar.com
Chun-Yao Huang	National Taiwan University (undergraduate)	Taiwan	Bakery	www.boitedebijou.com.tw
Craig Chao	National Kaohsiung University of Applied Sciences (graduate)	Taiwan	Bakery	www.babedo.com.tw

Members in the top team each won a laptop computer, and with their lecturer a week's five-star holiday in San Francisco, including a full day at Google's corporate headquarters – the Googleplex – to meet the team that developed AdWords. The top team in each region each won a laptop computer, plus an overnight and day with their lecturer at a regional – Australia, UK and USA – Google headquarters. The two finalists in each region, and their lecturers, won an overnight and day at the same regional Google headquarters.

Academic Feedback

As expected in an inaugural event of this scale there were a few hiccups, albeit nothing major. The results of a survey of participating students (n=687), academics (n=136) and SMEs (n=103) were overwhelmingly positive. Over 96% of the academics, followed by 89% of the SMEs and 85% of the students would recommend participating in the Challenge to their colleagues. For 2009, Google will improve the Challenge format based on participant feedback.

Academics can facilitate running the Challenge in their class on two fronts. As mentioned earlier, selecting an engaged and cooperative SME benefits both the student team and the SME. Academics could contact their local Chamber of Commerce, Small Business Agency and Alumni office in order to generate a list of possible SMEs. A second step for academics is experience with AdWords. Google will provide a US \$50 AdWords voucher to registered academics on request.

Compared with other teaching tools such as simulations, case studies and class projects for local businesses, 87% of the students said the Challenge was more engaging. One academic noted students were "The most enthusiastic that I have seen for any course." The students particularly enjoyed spending 'real money' and even for an academic that got off to a bad start, the overall result was positive. The students "HATED the project in the beginning . . . and in the end they LOVED it. This was a Problem Based Learning experience."

Survey feedback by participating academics coalesced into three sub themes – SME relationships, job opportunities and integrated marketing – that tied into the main theme; the Challenge was a real world exercise. Commenting on participating in the Challenge, an academic replied, “The competition aspect was somewhat motivating; the real-world aspect, however, was the primary motivator for us.”

As well as being a distinct type of advertising, the Challenge reinforced basic advertising concepts such as good copywriting and showed students “how online and offline marketing are, and should be treated as, an integrated process.” The Challenge also introduced students to nuances of keyword advertising such as click-through-rates (CTRs) of less than one percent. Some students had no idea people clicked on these online advertisements until they ran their campaigns, or were amazed by the low CTRs.

A second sub-theme was that the Challenge “provided an opportunity to form relationships with the local business community.” Not only were students acquiring new knowledge and skills, they were providing assistance to local businesses. An academic noted his students “have *fake* clients in other projects or present work to real clients but never see the campaigns running. Google gives students the opportunity to plan, prepare, execute, monitor, change, and report on the process.”

The third sub-theme, jobs, underscores the real-world theme after students graduate. Seniors told one of the academics “that even their (admittedly introductory) knowledge of AdWords set them apart from other job applicants -- so much so that they either were offered a job because of this experience or they moved to the next round in the interview process because of their knowledge.” Other academics commented that employers seek graduates with online marketing skills, and students now “have a competitive edge over others when applying for jobs.”

Conclusions

An academic remarked that “One of my graduate students noted that the Google Challenge was the most important learning experience he had had during his college and graduate education.” Based on feedback from SMEs, students and academics, Google will run a bigger and improved version of the Challenge in 2009. As a global educational organisation, CHRIE should consider promoting this event to its members as well as a special Challenge division for CHRIE members.

Google also intends to make the datasets for the three surveys – participating academics, students and SMEs – public. These datasets should provide rich future research avenues into the teaching and learning aspects of real-world projects, global competitions and students working in teams. The JHTE and future CHRIE conferences could consider a special issue or special tracks devoted to analysis of the datasets.

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About the Authors

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Interspersed with owning restaurants, European Marketing Manager for Greg LeMond Bicycles and PowerBar, and free-lance reporting for the New York Times and Wall Street Journal, Jamie Murphy earned an MBA, Masters in Communication and PhD. His academic experience includes over 150 refereed publications, full-time positions in the US and Australia, and visiting positions in Austria, Canada, France and Switzerland. Dr Murphy's speaking engagements include conferences and invited presentations on five continents. His latest initiative is co-founder and academic lead for the Google Online Marketing Challenge. Much to Dr Murphy's dismay, an undergraduate team at UWA beat his UWA graduate teams in the Challenge.

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Karen Hudson is an AdWords Relationship Manager with a retail industry focus and is responsible for the education materials and AdWords specific aspects of the Google Online Marketing Challenge.

With a Bachelor in Business Studies and German, Karen's background includes business development and client management in auto, logistics and drinks businesses in Germany Luxembourg.

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Dr Larry Neale currently resides in Brisbane, Australia via a route that includes Jamaica and the United States. Larry is proud of his PhD earned from The University of Western Australia and MBA from the University of Illinois. He is a keen sports fan and life observer, and has parlayed his passions into research streams including sports marketing, electronic marketing, entertainment marketing, political marketing and business ethics. With a background in small business retailing and indigenous business consulting, Larry understands the power and challenges of using technology to market products worldwide. Larry's research and teaching activities take him to Europe, Asia and the United States as an instructor, presenter and facilitator.