

## Module 1 Understanding the value of online advertising

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### 1.1 Benefits of online advertising and AdWords:

AdWords allow you to make the most of online advertising by showing your ads to the right people, in the right place, and at the right time.

AdWords offers several benefits, but here are the key ones:

**1. Target your ads:** Targeting gives you the ability to show your ads to reach people with specific interests — namely, people

who are interested in your products and services — and show them relevant ads. Make your AdWords campaigns even more targeted by using **keywords, ad location, age, location, language, days, times, frequency, and devices.**

**2. Control your costs:** With AdWords you'll only pay when someone clicks your ad.

**3. Measure your success:** With AdWords, if someone clicked your ad, you'll know. If they clicked your ad and then did something valuable to your business - purchased your product, downloaded your app, or phoned in an order - you can track that, too.

**4. Manage your campaigns:** If you manage multiple AdWords accounts, an AdWords manager account is a powerful tool that could save you time. You can also manage your AdWords account offline with AdWords Editor.

## 1.2 Google's advertising networks :

With AdWords, your ads can show on one or both of Google's advertising networks: the Google Search Network and the Display Network.

**The Search Network** includes Google Search, other Google sites such as Maps and Shopping, and hundreds of non-Google search partner websites (like AOL) that show AdWords ads matched to search results.

It can help advertisers show their text ads next to Google search results, and reach customers actively searching for their specific product or service.

**The Display Network** includes a collection of Google websites (like Google Finance, Gmail, Blogger, and YouTube), partner sites, and mobile sites and apps that show AdWords ads matched to the content on a given page.

It can help advertisers use appealing ad formats to reach a wide range of customers with broad interests. It can also build brand awareness, customer loyalty and engagement, and allows for specific choices on where their ads can appear, and to what type of audience.

## 1.3 Where your ads can appear:

To understand how AdWords works, you'll want to familiarize yourself with some of the key building blocks: where your ads can appear, the quality of your ads, and what you pay for them.

## Showing your ads alongside search results:

You'll use keywords — words or phrases that describe your product or service to target your ads. When someone searches for terms that are similar to your keywords, your ads can appear alongside or above search results on sites that are part of the Search Network. Keywords also help determine how much you pay. Each of your keywords has a **maximum cost-per-click** bid amount (or "max. CPC").

## Search ad formats :

It's also important to think about text ads and ads with extensions, which are the different types of ads that can appear on Search Network sites.

- **Text ads** are made up of a headline, a display URL that shows the address of your website and a description.

- **Ad extensions** are visual enhancements to search ads that more prominently display information about your business, such as a phone number, location, or links to other pieces of relevant content from deeper within your sitemap.

Showing your ads on websites across the Internet

You can choose to show your ads to people as they browse the web, on the Display Network. Your ads can appear on specific websites or placements that you choose, or on websites based on the targeting methods that you choose, such as keywords, placement, audiences, and topics.

Here's a list of ad formats you can use on the Display Network:

- **Text ads**
- **Image ads**
- **Rich media ads**
- **Video ads**

Showing your ads on mobile phones

Reach potential customers as they search or visit websites on the go — researching or completing purchases on their mobile phones, for example.

Learn more about the different places your ads can appear»

Showing your ads to specific audiences

If you have text ads, you can choose to show them to customers in an entire country, a certain geographic location, and even to customers who use names of locations in their searches. You can also target your campaigns to the languages that your potential customers speak.

## 1.4 The quality of your ads:

### Understanding Quality Score and Ad Rank:

Higher quality ads can lead to lower prices and better ad positions.

The **Quality Score** reported in your account is an estimate of the quality

of your ads and landing pages triggered by that keyword in auctions throughout the day. **Ad Rank** determines the order in which your ad shows up on the page (also known as ad position).

The components of Quality Score are expected **click through rate (CTR)**, ad relevance, and landing page experience. Each keyword gets a Quality Score on a scale from 1 to 10, where 1 is the lowest score and 10 is the highest.

The more relevant your ads and landing pages are to the user, the more likely it is that you'll have a higher Quality Score and benefit from having higher quality components of your Ad Rank, such as a higher ad **position or lower cost-per-click (CPC)**.

## 1.5 What you pay:

AdWords gives you control over your advertising costs, and there's no minimum amount that you have to spend. Instead, you set a daily budget and choose how you'll spend your money.

Choosing a bidding strategy

Choosing how you'll spend your money means choosing how you'd like to bid.

Try choosing a bidding strategy based on your goals, such as whether you want to focus on getting clicks, impressions, or conversions. Bidding strategies

**include cost-per-click (CPC), cost-per-thousand impressions (CPM) and cost-per-acquisition (CPA)**.

## Setting a daily budget:

Your daily budget is the amount you're willing to spend each day, on average, for each ad campaign in your account.

But even though your actual costs may vary, your daily budget limits the costs you can accrue over the average number of days in a month.

## How much you're charged:

If you're using CPC or CPM bidding, you'll only be charged what's needed for your ad to appear higher than the advertiser immediately below you.

If you're using CPA bidding, the actual amount you'll be charged might exceed your specific bid. That's because this amount depends on factors outside of Google's control, such as changes to your website or ads, or increased competition in ad auctions. However, our system is designed to adjust over time, so the longer you use CPA bidding, the less likely it is that your actual CPA will exceed your specific bid.

## 2.1 Choosing a campaign type

When you start setting up your AdWords campaign, you'll need to choose a campaign type and a campaign sub-type.

The most commonly used campaign types include:

### Search Network only:

Ads can appear throughout websites on the Google Search Network. Your AdWords keywords are linked to the words or phrases that someone uses to search on Google, then relevant text ads are shown on search results pages.

### **Display Network only:**

Ads can show throughout the Display Network. This campaign type works by matching your ads – including text, image, rich media, and video ads – to websites and other placements, such as YouTube and mobile apps, with content related to your targeting.

### **Search Network with Display Select:**

Allows you to show your ads – including text, image, rich media and video ads – with search results on the Google Search Network and relevant placements within the Display Network. With this option, your budget is shared across both networks.

### **Campaign sub-types :**

When you create any of the above campaign types, you'll also need to choose a more specific campaign sub-type; the most common are the “Standard” or “All features” sub-types.

You might choose a specialized campaign sub-type so you can remarket your ads, or show them in mobile apps.

### **Remarketing :**

Show text, image, or video ads to people who have already visited your website when they browse other websites on the Display Network.

#### **Ads in mobile apps**

Reach the growing audience of people using mobile phones and tablets by showing your ads in apps. Your ads will be matched to apps through the Display Network.

## **2.2 Structuring your campaign:**

AdWords is organized into three layers: account, campaigns and ad groups.

- **Account:** Your account is associated with a unique email address, password and billing information.
- **Campaigns:** Each campaign in your account has its own budget and settings that determine where your ads will appear.
- **Ad groups:** Each ad group within a campaign contains a set of similar ads and keywords that you want to trigger your

ads to show.

## Structuring your campaign:

With AdWords, you'll organize your account into separate campaigns, with each campaign focusing on a single business goal. One effective approach is to organize your campaigns around specific themes or products.

### **You control the following at the campaign level:**

- How much you're willing to spend on clicks, impressions or conversions from your ads
- Networks and geographical locations where you want your ads to show
- Other top-level settings that affect your ad groups

## Organizing your ad groups

Each campaign contains one or more ad groups. An ad group allows you to organize your campaign into sets of ads and keywords that directly relate to each other, which can improve your Quality Score and help to boost your return on investment. For Search Network campaigns, this helps you show ads that are relevant to the searches of people that you're trying to reach. For campaigns targeting the Display Network, you can create relevant ads to show to customers browsing websites about similar topics.

## 2.3 Targeting your audience

Showing your ads to the right customer is a key part of a successful advertising campaign that helps you reach your goals.

Here are the different ways in which you can use AdWords to display your ads:

### **Keyword targeting :**

Use keyword match types such as broad match, broad match modifier, phrase match, exact match and negative match to control which searches trigger your ad. You can also add negative keywords for campaigns that show ads on the Search Network or keyword exclusions for campaigns that show ads on the Display Network.

### **Display Network targeting:**

In addition to keywords, you can use different targeting methods to

match your ad to places or audiences on the Display Network. These include:

- **Contextual targeting:** Match relevant website content using keywords or topics
- **Audiences:** Reach specific groups of people using affinity audience, in-market audiences, remarketing and/or demographics
- **Managed placement targeting:** Select specific websites and apps

## Location and language targeting:

With location settings, you can target the geographic areas in which you'd like your ads to appear.

Language targeting helps ensure that your ads will appear on websites that are written in the language of the customers you'd like to reach.

### Device targeting:

You can also reach your customers while they're on the move by showing your ads when people are searching or visiting Display Network websites on their mobile phones with full browsers, such as iPhones and Android devices.

## 2.4 Setting bids and budgets:

Once you have decided which networks you want to display your ads on and who you want to show them to, you're ready to think about your budget. There are two things that you'll want to consider:

**Your budget:** Your daily budget is the amount that you set for each campaign to indicate how much, on average, you're willing to spend per day.

**Your bidding strategy:** Depending on which networks your campaign is targeting, and your advertising goals, you can determine which strategy is best for you.

To refresh your memory, here are the bid strategies that you can choose from:

- **Cost-per-click (CPC) bidding:** Use if you want to drive customers to your website.
- **Cost-per-impression (CPM) bidding:** Use if you want to make sure that customers see your message.
- **Cost-per-acquisition (CPA) bidding:** Use if you want to maximize conversions on your website.

## 2.5 Creating ad groups :

Each ad group contains a set of keywords, ads and bids that you manage. For your Display Network campaigns, your ad groups can

include other targeting methods, such as demographics or remarketing lists.

Some of the main components of ad groups for campaigns that you'll run on the Search or Display Network include:

## **Keywords:**

Tips for creating your keyword list:

### **Choosing and organizing your keywords**

- Think like a customer
- Align your keywords with your goals
- Group similar keywords into themes

### **Researching new keywords:**

- Use the Keyword Planner or Display Planner
- Review your search terms report

### **Optimizing your keywords:**

- Use keyword match types
- Include negative keywords

## **Ads :**

Depending on the type of campaign that you create, different types of ads formats and ad extensions will be available.

Keep in mind that all ads go through an approval process – we want ads to be useful, varied, relevant and safe for users when serving them across the Google Network.

We review your active and paused ads, keywords and website according to our advertising policies.

### **Types of ad formats include:**

Texts, Ad extensions,  
Image,  
WAP mobile,  
App promotion ads,  
Instream video,  
Product Listing Ads,  
Call-only ads.

### **Types of ad extensions include:**

#### **1. Manual extensions:**

App extensions,



Call extensions,  
Location Extensions,  
Review extensions,  
Sitelinks  
extensions, Callout extensions

## 2. Automated extensions:

Consumer ratings, Previous visits,  
Social extensions, Seller ratings

### Best practices for creating effective ads:

- Connect your ads and keywords
- Highlight what makes you unique
- Include a call-to-action
- Match your ad to your landing page
- Tailor your ads for mobile
- Use ad extensions
- Experiment

## 2.6 Tools to plan a campaign:

AdWords offers several tools to help you build your campaigns and achieve your advertising goals, including **Keyword Planner** and **Display Planner**.

You can use Keyword Planner to build your Search Network campaigns, getting keyword and ad groups ideas along with search traffic estimates. Or, you can use the Display Planner to plan your Display Network campaigns, getting targeting ideas along with impression estimates. Both tools allow you to add your plan to new campaigns or existing ones, or download your plan to share with clients and colleagues.

## 3.1 Measure your results:

You can analyze basic account, campaign and ad group information using different data and reports available in AdWords. There are also advanced reports that go beyond the number of clicks or impressions that you're getting, allowing you to see the impact AdWords has on your business.

### Understanding AdWords reports and statistics:

#### Customize your data:

You'll want to think about your AdWords goals and decide which statistics are most important for measuring progress toward those goals. Then, you can customize the data in your statistics table to see how your campaigns, ad groups, ads and keywords are performing.

### **Dimensions tab:**

You can use the Dimensions tab to look at data across your entire account, an individual campaign or an ad group.

### **Search terms report:**

The Search terms report allows you to see the terms that people were searching for when your ad was shown. You can also see the performance metrics for those searches.

### **Top movers report:**

The top movers report lets you see which campaigns have the biggest changes (increases or decreases) in clicks, costs and conversions, and shows you some possible causes for those changes.

### **Paid & organic report:**

With the paid & organic report, you can see how often pages from your website are showing in Google search results, and which queries triggered those results to show on the search results page.

### **Auction insights:**

Use the Auction insights report to compare your performance with other advertisers who are participating in the same auctions that you are.

## **3.2 Tools to measure your performance:**

As you get your campaign up and running, you'll want to consider several different tools that can help you measure and optimize your ad performance.

These tools include the following:

### **Conversion tracking:**

Conversion tracking is a free tool that can measure what happens after a

customer clicks on your ads - for example, whether they purchased your product, signed up for your newsletter or filled in a contact form.

### 3.4 Optimize your campaign:

#### **Improving your return on investment**

##### **Basic ways to improve your ROI:**

- Use a landing page that's most relevant to your ad
- Use highly relevant keywords and ad text
- Adjust your bids

##### **Keyword tips :**

- Use negative keywords to eliminate unwanted clicks
- Remove duplicate keywords
- Optimize low-performing keywords
- Perform a keyword diagnosis
- Check your keywords' estimated first-page bids

##### **Ad text tips:**

- Understand the buying cycle
- Enhance your ad with extensions

##### **Bid and budget tips:**

- Experiment with bids and budgets to see what works

- Allocate your budget according to performance
- Adjust your keyword bids
- Use ad scheduling to automatically change your bids throughout the day

### **Increasing your brand awareness on the Display Network:**

With a brand engagement campaign, you want to build awareness of and positive associations with your company and its products and services. You can do this using:

- Targeting options
- Ad formats
- Bidding strategy

### **Improving your return on investment:**

In general, you'll want to focus on improving your conversion potential through attracting the right customers to your business. Here are some basic strategies and specific tips about how to optimize your keywords, ad text, bids and budget.

Basic ways to improve your ROI

If you find that a large percentage of visitors have clicked your ad but haven't made a purchase or performed an action you'd like them to take, the following steps may help you increase your conversions and ROI:

- **Use a landing page that's most relevant to your ad:** When customers click your ad, they expect to see a webpage highlighting the exact product, deal, or information described in your ad. If they don't find what's promised as soon as they arrive, they're more likely to leave your site without making a purchase or signing up for your service. Be sure that any promotions and discounts mentioned in your ad text are visible on your landing page.

- **Use highly relevant keywords and ad text:** If you use general keywords and ad text, a customer may arrive at your site expecting to find something that you don't offer. Highly targeted keywords and ad text help ensure that your ads show only on searches relevant to your product or service.
- **Adjust your bids:** The bottom line for any keyword is how much value it generates compared to its cost. For keywords that show a profit, increase the bid to increase exposure and generate more traffic. For keywords that aren't profitable, decrease the bids to lower your costs or even consider removing those keywords.
- **Add successful sites as placements:** For campaigns running on the Display Network, you can use the Placements tab to see all of the web pages, apps, and videos where your ads appeared. If you find that your ad performs particularly well on a given website, try adding that website as a managed placement.

## Keyword tips:

- **Use negative keywords to eliminate unwanted clicks:** You can use negative keywords to filter out searches for different products or services, searches that aren't relevant to your business, or people who aren't likely to make a purchase.
- **Remove duplicate keywords:** Google shows only one ad per advertiser on a particular keyword, so there's no need to include the same keywords in different ad groups or campaigns. Since the better performing keyword will trigger your ad more often, remove the duplicate that performs worse. Keep in mind that it's okay to include duplicate keywords for campaigns targeting different geographic regions.
- **Optimize low-performing keywords:** It's essential to regularly review your keywords to ensure that they're all performing well and providing you with a good ROI. If a keyword is not directly related to your business, website, and ad text, it'll trigger impressions and clicks that are not likely to convert into actions you care about, like purchases or signups. Here are some key measurements to look for to identify whether a keyword is performing well or not:
- **Keyword diagnosis:** Performing a keyword diagnosis will give you a detailed view of each keyword's Quality Score along with tips for improvement. To diagnose your keywords, hover over the speech bubble icon next to the status for any keyword in the "Keywords" tab. You'll see a help bubble appear with information.
- **First page bids:** Check your keywords' estimated first page bids, which is the approximate cost-per-click (CPC) bid needed for your ad to reach the first page of Google search results when a search query exactly matches your keyword. You can use this estimate, which is based on the Quality Score and current advertiser competition for that keyword, to get greater insight when planning your bidding strategy.

## Ad text tips:

- **Understand the buying cycle:** To maximize your ROI, try to understand what stage within the buying cycle a customer might be in: the awareness stage, the research and comparison stage, or the buying stage.
- Use **keywords** to separate the serious buyers from the online equivalent of window shoppers. For example, customers searching with terms like "reviews" or "ratings" are probably still researching the product and might be less likely to make a purchase at that stage. By understanding the buying cycle for your specific product or service, you can filter out such customers with negative keywords or direct these customers to more research-friendly parts of your site.
- **Ad text** can also help you reach customers in the right stage. The call-to-action should reflect the action that you consider a conversion, whether that's a sign-up, a request for more information, or an actual sale. Conversion-related calls to action will set the right expectation for customers in various stages of the buying cycle.
- **Enhance your ad with extensions:** Ad extensions tend to improve the click through rate (CTR) of your ads. Depending on the products or services that your business offers, you might consider using

different ad extensions. For example, sitelink extensions allow you to add links to your website and help people find what they're looking for, call extensions let people click a button to give you a phone call, and location extensions help people nearby find your nearest storefront.

## Bid and budget tips:

- **Experiment with bids and budgets to see what works:** Test different bid amounts and budgets and measure how effective the change is, test bids for profitability and ROI, and test budgets for ad exposure. We suggest adjusting amounts in small increments to allow your keywords to accrue conversion statistics and performance data with the new settings. Allow at least a few days between changes so you'll have enough performance data to make an informed decision.
- **Allocate your budget according to performance:** An important aspect of budgeting is making sure you have appropriate budgets for each campaign. For keywords that are profitable, you probably want to show them all the time. To do this, the campaign's budget needs to be sufficiently high so the campaign isn't limited by budget. If you'd like certain keywords to receive maximum traffic, make sure they're in campaigns whose daily spend isn't reaching or exceeding its daily budget consistently. Try to prioritize your products or services and then match budgets to each campaign based on priority. If your overall advertising budget is limited, find budget from campaigns that have unused budget or that don't convert well, then reallocate that budget to high performing campaigns that are limited by budget.
- **Adjust your keyword bids:** With conversion data, you'll better understand how profitable your keywords are with their current bids and can identify which keywords could be more successful with adjusted bids.
- For **keywords that show a profit** (such as having high conversion rate and low costs), you might try increasing their maximum cost-per-click (CPC) bids. While costs may increase, your ad position could rise and provide more ad exposure, potentially increasing your conversion rate and ROI. In other cases, it may make sense to lower the bid for a keyword even if the keyword is profitable. By lowering the bid, you'll lower the average amount paid, which may increase the profit margin for that keyword.
- For **keywords that aren't profitable** (such as having a low conversion rate and high costs), you might try decreasing their bids to lower your costs. A lower bid is likely to decrease the keyword's average position, the number of impressions and clicks it receives, and as a result, the cost it incurs. Not only can this strategy improve your ROI on low-performing keywords, but in some cases, it can also free up part of your budget so you can invest in more valuable keywords.
- **Use ad scheduling to automatically change your bids throughout the day:** Ad scheduling includes an advanced setting which lets you adjust the pricing for your ads during certain time periods. Use the bid adjustment feature of ad scheduling to automatically take these actions:
  - **Increase your CPC bids** by a certain percentage on days or times of day that are most profitable for you. For example, if you find that your ads get the best results before noon, you can set your bids higher during that timeframe to try and get more impressions and clicks.
  - **Decrease your CPC bids** on days or times of day when appearing in a high position doesn't result in profitable clicks.

*Google Adwords CPC OR PPC:*

**CPC: What Is Cost Per Click? CPC is short form of cost per click ,which you pay for each click on your ads in your marketing campaigns.**

**Types of CPC:**

- (1)Manual CPC
- (2)Maximize Clicks
- (3)ECPC (Enhanced CPC)

**Manual CPC:**

- With Manual Cost-Per-Click (CPC) bidding, you can set a maximum price on the cost of someone clicking on your AdWords ads.
- Note: You can get good value with this bidding method because you pay only when a viewer is interested enough to click your ad.

**How Manual CPC bidding works:**

- Example
- If you think it's worth 19rs to have someone visit your website, you can set 19rs as your max. CPC. You'll pay a maximum of 19rs when a person reads your ad and clicks it, and you pay nothing if they don't click.
- Let's say you create a text ad and set a max. CPC bid of 19rs. If 500 people see the ad, and 23 of them click to learn more, you pay only for those 23 clicks. Your max. CPC bid was 19rs, so you'll pay no more than 23 clicks x 19.
- Often you'll pay less than your max. CPC because with the AdWords auction, the most you'll pay is what's minimally required to hold your ad position and any ad formats shown with your ad, such as sitelinks.

**Maximize clicks:**

- **Maximize Clicks** automatically sets your bids to help get as many clicks as possible within your budget.
- **Maximize Clicks**, you set a target daily budget and the AdWords system automatically sets your maximum cost-per-click (CPC) bids on your behalf, with the goal of getting you the most **clicks** possible within that budget.

**Enhanced cost-per-click (ECPC):**

- **Enhanced cost-per-click (ECPC)** automatically adjusts your manual bids to help you get more conversions, while trying to achieve the same cost-per-conversion.
- ECPC is available as an optional feature with Manual CPC bidding.
- With ECPC, you'll still have control over your bids just like you did before, but ECPC helps you by adjusting each bid based on how likely it is that a click will result in a conversion. If a click seems likely to convert, ECPC will raise your max CPC (after applying any bid adjustments you've set).

Manual CPC	Maximize clicks	ECPC
We can set Daily budget We can set Max CPC bid amount for keywords  NOTE: Actual CPC is often less than <b>max. CPC</b> because with the AdWords auction, the most you'll pay is what's minimally required to hold your ad position and any ad formats shown with your ad, such as sitelinks.	We can set daily budget We Can Not set Max cpc bid amount for keywords	It is optional with your Manual CPC . If a click seems likely to convert, ECPC will raise your max CPC.  Note: Keep in mind that your actual CPC may exceed your <b>max. CPC</b> if, for example, you've enabled <a href="#">Enhanced CPC</a> or if you've set a <a href="#">bid adjustment</a> .



## Formula to Calculate Google Adwords Ad Rank and Actual CPC

### **AdRank:**

AdRank = Max. CPC x Quality Score

AdRank is measured by multiplying the maximum cost per click bid that the advertiser is willing to pay by the Quality Score of that advertisers keyword. Ad position is then calculated by the advertiser's AdRank. According to that advertisers ad will be positioned on highest or lowest position in Google search and content networks.

Advertiser	Max CPC	Quality Score	Ad rank	Position
Advertiser A	\$0.40	6	$\$0.40 \times 6 = 2.4$	1
Advertiser B	\$0.35	5	$\$0.35 \times 5 = 1.8$	2
Advertiser C	\$0.80	2	$\$0.80 \times 2 = 1.6$	3
Advertiser D	\$1.00	1	$\$1.00 \times 1 = 1$	4
Advertiser E	\$0.05	5	$\$0.05 \times 5 = .3$	5
Advertiser F	\$0.10	2	$\$0.10 \times 3 = .2$	6

From the above example you can find that, in spite of Advertiser D is bidding well while comparing all of his competitors his ads will show in the 4th position due to his low Quality Score.

**Determining Actual CPC:**

Actual CPC = (AdRank to hit / Quality Score of Advertiser) + \$.01

An advertiser's actual CPC is measured by dividing the AdRank to hit (the AdRank of the competitor below them) by their own Quality Score plus \$.01. The least positioned ad will be the minimum price recommended by Google to display on the Adwords page.

Advertiser	Max CPC	Quality Score	Ad rank	Position	Actual CPC
Advertiser A	\$0.40	6	$\$0.40 \times 6 = 2.4$	1	$(1.8/6) + \$.01 = \$0.31$
Advertiser B	\$0.35	5	$\$0.35 \times 5 = 1.8$	2	$(1.6/5) + \$.01 = \$0.33$
Advertiser C	\$0.80	2	$\$0.80 \times 2 = 1.6$	3	$(1/2) + \$.01 = \$0.51$
Advertiser D	\$1.00	1	$\$1.00 \times 1 = 1$	4	$(0.3/1) + \$.01 = \$0.31$
Advertiser E	\$0.05	5	$\$0.05 \times 5 = .3$	5	$(0.2/5) + \$.01 = \$0.05$
Advertiser F	\$0.10	2	$\$0.10 \times 3 = .2$	6	Minimum Bid

From the above example you can find that, since the quality score of Advertiser C is very low, he needs to pay more amounts to beat Advertiser E.

The quality score speaks a lot in this. From the below example you can find the value of quality score. By increasing the quality score, the ad rank will also automatically increase to hit the top positions. In the below table, Advertiser B has increased their Quality score and check how his rank get increased [to hit the top position](#).

Advertiser	Max CPC	Quality Score	Ad rank	Position	Actual CPC
Advertiser A	\$0.40	6	$\$0.40 \times 6 = 2.4$	2	$(3.2/6) + \$0.01 = \$0.54$
Advertiser B	\$0.35	9	$\$0.35 \times 9 = 3.2$	1	$(1.6/9) + \$0.01 = \$0.19$
Advertiser C	\$0.80	2	$\$0.80 \times 2 = 1.6$	3	$(1/2) + \$0.01 = \$0.51$
Advertiser D	\$1.00	1	$\$1.00 \times 1 = 1$	4	$(0.3/1) + \$0.01 = \$0.31$
Advertiser E	\$0.05	5	$\$0.05 \times 5 = .3$	5	$(0.2/5) + \$0.01 = \$0.05$
Advertiser F	\$0.10	2	$\$0.10 \times 3 = .2$	6	Minimum Bid

Quality Score is the good way to reach the desired top positions and reduce your costs. To become a Adwords star and to have a success with Adwords, you must improve your CTR, the relevance of your Ads, quality of your landing pages and the speed of the landing pages.

## Improving your return on investment:

In general, you'll want to focus on improving your conversion potential through attracting the right customers to your business. Here are some basic strategies and specific tips about how to optimize your keywords, ad text, bids and budget.

Basic ways to improve your ROI

If you find that a large percentage of visitors have clicked your ad but haven't made a purchase or performed an action you'd like them to take, the following steps may help you increase your conversions and ROI:

- **Use a landing page that's most relevant to your ad:** When customers click your ad, they expect to see a webpage highlighting the exact product, deal, or information described in your ad. If they don't find what's promised as soon as they arrive, they're more likely to leave your site without making a purchase or signing up for your service. Be sure that any promotions and discounts mentioned in your ad text are visible on your landing page.
- **Use highly relevant keywords and ad text:** If you use general keywords and ad text, a customer may arrive at your site expecting to find something that you don't offer. Highly targeted keywords and ad text help ensure that your ads show only on searches relevant to your product or service.
- **Adjust your bids:** The bottom line for any keyword is how much value it generates compared to its cost. For keywords that show a profit, increase the bid to increase exposure and generate more traffic. For keywords that aren't profitable, decrease the bids to lower your costs or even consider removing those keywords.
- **Add successful sites as placements:** For campaigns running on the Display Network, you can use the Placements tab to see all of the web pages, apps, and videos where your ads appeared. If you find that your ad performs particularly well on a given website, try adding that website as a managed placement.

## Keyword tips:

- **Use negative keywords to eliminate unwanted clicks:** You can use negative keywords to filter out searches for different products or services, searches that aren't relevant to your business, or people who aren't likely to make a purchase.
- **Remove duplicate keywords:** Google shows only one ad per advertiser on a particular keyword, so there's no need to include the same keywords in different ad groups or campaigns. Since the better performing keyword will trigger your ad more often, remove the duplicate that performs worse. Keep in mind that it's okay to include duplicate keywords for campaigns targeting different geographic regions.
- **Optimize low-performing keywords:** It's essential to regularly review your keywords to ensure that they're all performing well and providing you with a good ROI. If a keyword is not directly related to your business, website, and ad text, it'll trigger impressions and clicks that are not likely to convert into actions you care about, like purchases or signups. Here are some key measurements to look for to identify whether a keyword is performing well or not:
- **Keyword diagnosis:** Performing a keyword diagnosis will give you a detailed view of each keyword's Quality Score along with tips for improvement. To diagnose your keywords, hover over the speech bubble icon next to the status for any keyword in the "Keywords" tab. You'll see a help bubble appear with information.

- **First page bids:** Check your keywords' estimated first page bids, which is the approximate cost-per-click (CPC) bid needed for your ad to reach the first page of Google search results when a search query exactly matches your keyword. You can use this estimate, which is based on the Quality Score and current advertiser competition for that keyword, to get greater insight when planning your bidding strategy.

## Ad text tips:

- **Understand the buying cycle:** To maximize your ROI, try to understand what stage within the buying cycle a customer might be in: the awareness stage, the research and comparison stage, or the buying stage.
- Use **keywords** to separate the serious buyers from the online equivalent of window shoppers. For example, customers searching with terms like "reviews" or "ratings" are probably still researching the product and might be less likely to make a purchase at that stage. By understanding the buying cycle for your specific product or service, you can filter out such customers with negative keywords or direct these customers to more research-friendly parts of your site.
- **Ad text** can also help you reach customers in the right stage. The call-to-action should reflect the action that you consider a conversion, whether that's a sign-up, a request for more information, or an actual sale. Conversion-related calls to action will set the right expectation for customers in various stages of the buying cycle.
- **Enhance your ad with extensions:** Ad extensions tend to improve the click through rate (CTR) of your ads. Depending on the products or services that your business offers, you might consider using different ad extensions. For example, sitelink extensions allow you to add links to your website and help people find what they're looking for, call extensions let people click a button to give you a phone call, and location extensions help people nearby find your nearest storefront.

## Bid and budget tips:

- **Experiment with bids and budgets to see what works:** Test different bid amounts and budgets and measure how effective the change is, test bids for profitability and ROI, and test budgets for ad exposure. We suggest adjusting amounts in small increments to allow your keywords to accrue conversion statistics and performance data with the new settings. Allow at least a few days between changes so you'll have enough performance data to make an informed decision.
- **Allocate your budget according to performance:** An important aspect of budgeting is making sure you have appropriate budgets for each campaign. For keywords that are profitable, you probably want to show them all the time. To do this, the campaign's budget needs to be sufficiently high so the campaign isn't limited by budget. If you'd like certain keywords to receive maximum traffic, make sure they're in campaigns whose daily spend isn't reaching or exceeding its daily budget consistently. Try to prioritize your products or services and then match budgets to each campaign based on priority. If your overall advertising budget is limited, find budget from campaigns that have unused budget or that don't convert well, then reallocate that budget to high performing campaigns that are limited by budget.
- **Adjust your keyword bids:** With conversion data, you'll better understand how profitable your keywords are with their current bids and can identify which keywords could be more successful with adjusted bids.
- For **keywords that show a profit** (such as having high conversion rate and low costs), you might try increasing their maximum cost-per-click (CPC) bids. While costs may increase, your ad position could rise and provide more ad exposure, potentially increasing your conversion rate and ROI. In other cases, it may make sense to lower the bid for a keyword even if the keyword is profitable. By lowering the bid, you'll lower the average amount paid, which may increase the profit margin for that keyword.

- For **keywords that aren't profitable** (such as having a low conversion rate and high costs), you might try decreasing their bids to lower your costs. A lower bid is likely to decrease the keyword's average position, the number of impressions and clicks it receives, and as a result, the cost it incurs. Not only can this strategy improve your ROI on low-performing keywords, but in some cases, it can also free up part of your budget so you can invest in more valuable keywords.
- **Use ad scheduling to automatically change your bids throughout the day:** Ad scheduling includes an advanced setting which lets you adjust the pricing for your ads during certain time periods. Use the bid adjustment feature of ad scheduling to automatically take these actions:
  - **Increase your CPC bids** by a certain percentage on days or times of day that are most profitable for you. For example, if you find that your ads get the best results before noon, you can set your bids higher during that timeframe to try and get more impressions and clicks.
  - **Decrease your CPC bids** on days or times of day when appearing in a high position doesn't result in profitable clicks.