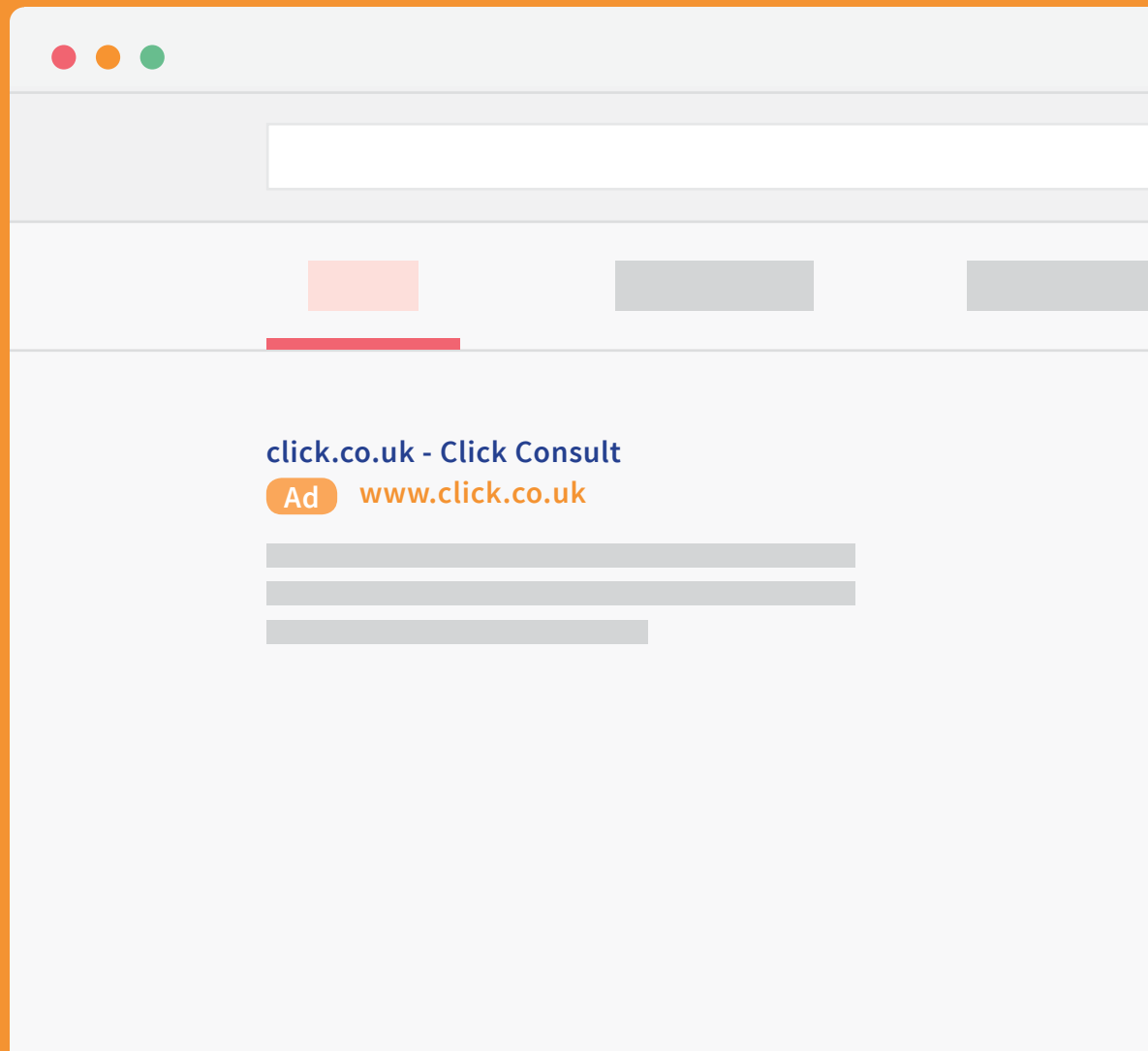




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# BEST PRACTICES FOR ADWORDS



## The manner in which Google determines the position of paid advertisements is sometimes tough to grasp, so here we'll discuss what determines ad position and how to pay less for more

The first thing to grasp about the Google auction system is that your maximum bid does not necessarily determine either your ad's position, or the amount you will pay for a click. In fact, the total paid for a position is determined by both the bid and quality score of an ad which feeds into something called an AdRank and is only ever as much as is required to exceed the score of the ad immediately below.

This, according to Google is driven not only by a desire to maximise user experience (UX), but also by simple economics. The better the UX of an ad, they say, the more likely the user is to click through and convert, the more often they do this, the happier the advertisers – equating to more ad spend and increased revenue for Google.

It is no wonder, therefore, that eventual AdRank is heavily influenced by ad quality and relevance in addition to maximum bid.

	Maximum bid	Ad Quality	Cost per click	Position
Company 1	£10	-	£5.01	1st
Company 2	£5	-	£3.01	2nd
Company 3	£3	-	£1.01	3rd
Company 4	£1	-	£0	Unplaced

The above table shows two things – firstly, the importance of calculating the amount a click is worth to your brand and using that to calculate a maximum bid, and secondly that regardless of your maximum bid, the amount paid per click is only that required to beat the next highest bid.

## QUALITY SCORE

### Expected click-through rate

This is based on historical data and therefore calculated on the past performances of similar ads against search terms. As mentioned previously, Google's aim is, at least in part, to provide the most relevant ads and the easiest way to determine this relevance is how well they perform. Therefore, it is important to ensure that your [keyword strategy](#) is well developed, as well as your choice of advertising network or host sites for ads, the better placed your ad is within an historic frame of relevance, the better the historical data will be to back up your ad's quality.

### Landing page UX

Again – as all quality signals do – this relies heavily on relevance, but carries additional requirements of being original, easily navigable and transparent (in terms of how captured data is used and stored), the terms themselves require little explanation, but – if we use ecommerce as an example – the message to brands is that the product page an ad directs to must feature copy/descriptions which are unique from those elsewhere (sometimes difficult to do if selling generic products, but never impossible), that the site structure is such that the page must link naturally and easily to other parts of the site for user exploration, and that clear declaration of the use of cookies is present (as is now a legal requirement).

### Ad relevance

Ad relevance is determined, in this case, based on language relevance, meaning keywords, intention signals and other similar language aspects. Again, as with all quality signals involved in the quality scoring of ads, each one feeds into all other aspects. Relevance in this regard, however, applies to your match types – whether you are using dynamic, broad match, broad match modified or any other type, this will determine the relevance of the ad text to the user's search query as well as whether your ad text and query is written in a manner suggesting information or purchase intent.

### Ad formats

Ad Formats relates to the use of extensions with the ad – these range from the addition of call buttons, location extensions to site deep dives (where additional site pages are listed) as well as many others. Google sees these extensions as providing additional useful information which can be used to help the user determine whether or not the ad is one on which they would like to click.

## AD QUALITY AND ADRANK

The table below is going to show a simplified representation of how ad quality impacts on overall AdRank. To do this we're going to make a few assertions which, while not exact, are for ease of understanding rather than to depict the precise method of measurement. These are that each £1 of the bids in previous example is worth 1 AdRank 'point' up to the maximum ten, while each of the quality signals listed is going to represent 2.5 'points', this will help us to demonstrate the importance of quality in ad placement as well as how the process itself works.

	Maximum bid	Ad Quality	Total Score	Position	Cost per click
Company 1	£10/10 points	0	10	3rd	£10
Company 2	£5/5 points	7.5	12.5	1st	£4
Company 3	£3/3 points	2.5	5.5	Unplaced	N/A
Company 4	£1/1 point	10	11	2nd	£1

## IMPROVING RANK

As we can see, there are two ways to improve an ad's performance – there is bid adjustment and there is quality improvement. In this regard, both the easiest and most cost-effective way to improve the performance of an ad campaign is to ensure it is of the best possible quality. In fact, the extra time and money put into developing quality ads, can be recouped in the reduction of the cost-per-click.

## QUICK TIPS

- Ensure that the landing page to which your ad directs a user is unique, relevant and engaging.
- Use in-depth keyword research and buyer personas to maximise the relevance of your ad, not only to the product, but to potential searches, and searcher intent. Employ tools such as Google's 'Keyword Planner' to analyse historical data and ensure your ad capitalises on historic click-through performance.
- Make use of available, relevant ad extensions. There are plenty of ad extensions available to brands, and the time required to implement them is far outweighed by the benefits of it.
- Bid as much as a click is worth to you – though the bid amount is not a deciding factor often, it is better to have an amount in reserve to maintain a prominent position.

Why not see what the rest of our toolkit can teach you about the rest of the process to really maximise your PPC campaigns, or [contact us](#) directly to discuss your next step.



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