



# A Winning Formula for Success with Google Ads

**By: Thomas Young & Aubree Deimler**



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The first website to offer paid advertising was GoTo.com in the late nineties. Advertisers in the early days of digital marketing could bring visitors to their website for as little as a penny per click on GoTo.com. Marketers could get their website found in a variety of search engines at the time by bidding for placement in search results.

***This changed marketing and advertising forever.***

I've been a part of these changes working with clients over the past 20 years in what became known as pay-per-click advertising and today is simply called "ads."

We have come a long way since the days of GoTo.com and a very basic formula for getting clicks to your website. Google now dominates the world of online ads like no other company has ever dominated advertising because Google owns over 70% of the marketplace for online search.

Google Ads can generate results, but only for companies with the right formula for success.

***"Let's take a closer look at a winning formula for success with Google Ads developed from my experience that started with GoTo.com over 20 years ago."***

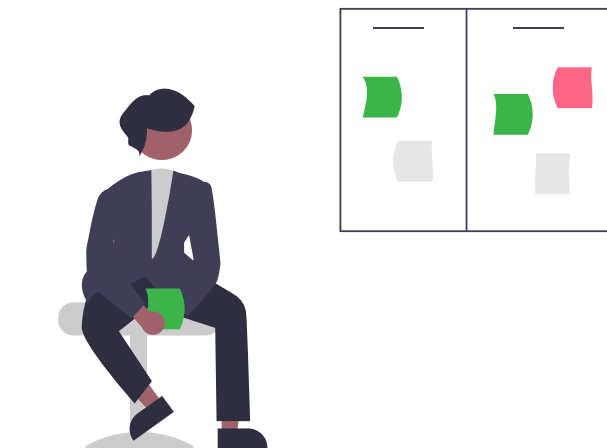


# The Formula for Google Ads Success

Success with Google Ads is dependent on many factors making it a challenging digital marketing channel. First, it is highly competitive for most companies, especially those marketing nationally on popular keyword searches. Google has over-engineered Google Ads interface. It is complicated and difficult to use, much more challenging than the early days of GoTo.com.

Another critical issue is Google's ever-changing editorial policies for ad copy and websites. These policies can be inconsistent, impartial by industry and change overnight. Companies have no control over Google's ad policies. Finally, it's challenging to speak to a knowledgeable rep at Google to get help.

There is hope to overcome these problems with a winning, time tested formula for success. Get each part of the formula right, and you will see marketing results from Google Ads.



# Strategy + Google Ads Knowledge + ROI Formula = Google Ads Success

Let's review each part of this formula in more detail, starting with strategy.

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# Google Ads Strategy

Doing the right things in Google Ads will get you to your marketing and sales goals.

***Strategy defines what those right things are and how to get them done.***

Strategy is critical for Google Ads, because of all digital marketing tactics, Google Ads has the highest risk for poor ROI. There are many unknown elements to paid search and often a poor understanding of user intent. This makes Google Ad strategy difficult and also rewarding when done right. Getting the strategy wrong can cost your company money and getting it right can help your company grow.

**Here is how to get Google Ads strategy right. It is dependent on the following factors:**

- ✓ Developing clear marketing and sales goals for Google Ads
- ✓ Gaining a deep understanding of prospect or user intent
- ✓ Campaigns and Ad Groups built on that user intent
- ✓ Landing pages and a company website with highly relevant content matching user intent
- ✓ Targeting the most productive keywords and removing irrelevant terms
- ✓ Setting a budget matching your goals for branding and direct conversions

***Start with clear expectations about the actions you want people to take when they see or click on your ad. Work out how to track the overall lift to your business from the awareness brought to your company from Google Ads.***

# Two Common Google Ad Strategies: Branding and Conversions

The two most common strategies for Google Ads are first, branding your company to build awareness in targeted markets, and second, direct conversions leading to sales. Google Ads is excellent at achieving for both these strategies.

***The best strategy is a mix of direct online conversions and branding.***

To make these strategies work, you must have a very clear understanding of the prospective customer and develop strong personas so you understand their desires and their pain. Your ad content and landing pages should focus on this user intent, for both impressions, clicks and conversions. One of the most common mistakes we see in Google Ads is throwing out too big a net leading to a disconnect between your campaigns and the intent of the users.

It is important to set a risk threshold for the spend and targets based on user engagement and conversions. The best methods for mitigating risk are testing, trial and error, data analysis and more testing. This helps tweak results as well.

Also, competitive insights help determine this risk threshold and your budget as you bid against competitors.

However, best practices in Google Ads in competitive segments can be difficult to determine because of the sheer number of searches and volume of traffic. Millions of dollars can be spent, which some companies are willing to spend to meet their marketing goals.

***“Keep the focus on your company and avoid going down the path of watching your competitors and attempting to match what they are doing on Google Ads.”***

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# Google Ads Knowledge

Knowing how Google Ads works is a key part of the formula for success. A good way to understand Google Ads is by knowing the terms used by Google. Let's explore how Google Ads work and the term definitions you need to know.

## How do Google Ads work?

Google Ads are part of an auctioning system where advertisers bid against each other on specific keywords and pay-per-click (PPC) when someone clicks on a Google ad connected to the keyword. While simple in theory, it's not necessarily the highest bid that wins.

Where your ad ranks in Google's search results depends on a collection of factors including your bid and the bids of other advertisers, the competition, and the quality score on your keywords.

## What are Quality Scores?

Google grants quality scores on each of your targeted paid keywords to ensure that the people searching and clicking on your ads have the best possible experience.

Keywords with higher quality scores will show ads more often at the top of the search results and Google rewards keywords with high quality scores with lower cost-per-click (CPC). This means that a competitor could outbid you on a keyword, but if you have a higher quality score, your ad will still show higher.

On the flip side, if your keywords have low quality scores, your ads will not show as much or rank as high, and you will pay higher costs per click on those keywords.



## ***What Determines Quality Scores?***

Click-through-rates (CTR) on your ads are a key consideration in your keyword quality scores. Since Google only gets paid when searchers click on an ad, they reward advertisers with higher CTRs by showing those ads more.

Additional considerations Google gives to keyword quality scores are the relevance of the ad to the searchers and the relevance of the landing page the ad leads to. With this in mind, it's good practice to include your targeted keyword(s) in the connected ad and landing page.

Another factor that influences quality scores is the use of Google's ad extensions. Google rewards advertisers who take advantage of as many of these as possible. Ad extensions show below the search ad and include additional sitelinks, phone number extensions, location extensions, call outs, promotions and more.



## ***What type of Google Ads are there?***

### **Search Ads**

Search ads are the most direct form of advertising with Google Ads. Search ads show when someone goes to Google and types in a search phrase. The paid search ads show at the top and bottom of the results and usually say “ad” next to them.

There are three different types of Google search ads:

Expanded search ads allow for control of the placement of the headlines and descriptions below. Google is phasing out these search ads. In June 2022 you'll no longer be able to edit them, and these will likely go away completely in the future.

Responsive search ads allow you to add multiple headlines and descriptions that then rotate based on the user and what Google thinks will convert best for them. You can pin headlines to the top positions, if there's one or two you always want to be first, but Google warns that this could impact full performance of their AI technology.

Dynamic search ads allow for a fixed description and then Google uses content from your landing page(s) to populate the headlines and show ads that are relevant to the searcher.

### **Display Ads**

Display ads show up on a variety of websites through the Google Ads network. They have lower conversion and click through rates, but are excellent for branding and expanded reach. The Google Ads network is made up of thousands of websites displaying ads for Google. This is why you see ads showing up on websites related to your recent searches in Google. For example, if you search for tennis shoes in Google, you are most



likely to see ads for tennis shoes when you visit a news or information website that is part of the Google network.

As with search, there are three Google display ad options:

Fixed display ads give you control of exactly how your ad appears in different ad sizes across the web.

Responsive display ads change size depending on the available space and similarly to the responsive search ads, these rotate images, headlines and descriptions based on the user and what Google thinks will convert for them.

Video display ads help promote your brand visually and build authority on YouTube and other sites around the web where video ads are available.

### **Shopping Ads**

If you have an eCommerce site then Google Shopping ads are the digital advertising medium to consider. These show at the top of search results when searchers use terms that indicate they're shopping for a specific product.

The Google shopping ad pulls information in from a merchant feed and includes a product image and features of the product such as color, size, price, etc. These ads also include a call to action (CTA) button that then leads to that product's shopping page on your site.

## ***What is Branding in Google Ads?***

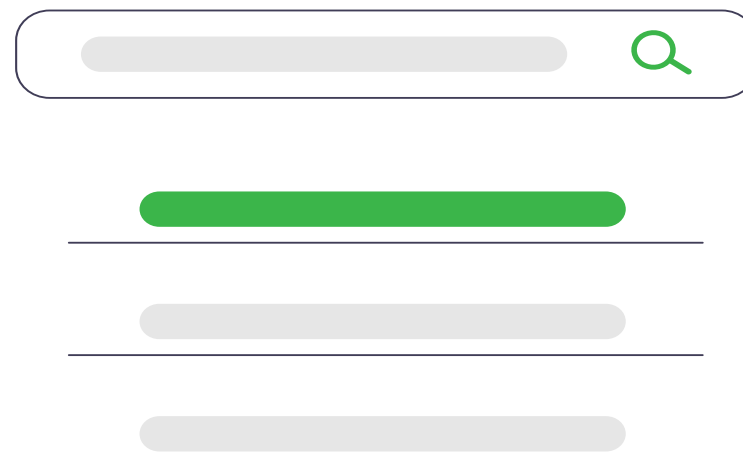
Branding is the general process of building awareness for your company. It's the first impression people get from seeing your company name for the first time. Branding is the impression left with people after they see your company for the first time and repeatedly in online searches. Branding is experienced in the Google Ads copy, your landing pages and the company website. The brand is developed based on effective graphic designs, ease of use, user-focused content and resources to support the strong design.

Google search ads can be used to make sure that your business and brand consistently show at the top of results whenever someone searches for it on Google. This is especially important for those businesses that have a well known brand name that competitors may be bidding on.

Google display ads can also be used to keep your brand top of mind. Display ads work to build awareness of your business, but don't necessarily cause direct action. They work by keeping your name in front of potential customers so they remember you when they're ready to take action.

## ***What are Google Ads Campaigns?***

Google Ads are broken into campaigns which are set by the market segments being targeted. For example, product and service searches may each need a campaign. This puts a focus on the user and searcher with ad copy, landing pages and key search terms relevant to their needs and intent. These are key parts of Google Ads campaigns.



## ***What are Google Ad Groups?***

Campaigns are broken into Ad Groups based on the keywords used in the campaign to target the ad copy. Ad Groups focus the keywords and the ad copy into niche segments. Your landing pages may not need to change for each Ad Group depending on user intent. Without Google Ad groups, keywords would be too broad at the campaign level.

## ***How are Keyword Searches Defined in Google Ads?***

There are two ways to look at keywords. The keywords targeted by the Ad Groups and the actual keywords used by people on Google. Both these reports are broken down in the Google Ads account reporting and should be reviewed on a regular basis. Recently Google stopped showing all of the actual search terms people are using unless they deem it relevant, meaning there are multiple searches for it. Unfortunately this has limited the ability to see all keyword activity happening.

Keywords can be broad, in which case Google throws out a huge net and over time the Google machine learning, or artificial intelligence (Google AI) focuses on the most effective keywords and user segments.

## ***What are Negative Keywords in Google Ads?***

Negative keywords are search terms you can block in your account settings from displaying your ads. They are critical to Google Ads success. These negative terms must be reviewed daily early on in your campaign

set-up and weekly on highly active campaigns. **Negative keywords are one of the best methods for improving ROI and managing the overall spend.**

## ***What are exact match, phrase match, and broad match keywords?***

These are important because they drive ROI and budget results. You will find more information on these types of keywords in your Google Ads account. Exact match is just that, it is targeting keywords that match exactly the terms you are targeting. Phrase match allows for the search term individual words to change the order in the phrase. An example would be targeting the term “tennis shoes” and also getting traffic from the search phrase “shoes for tennis”. Both would work to find people looking to buy tennis shoes.

Broad match keywords make it so your ads show up for terms that aren't exactly the same as your targeted keyword. These should be related to your keyword but are up to Google's interpretation. So, if your targeted keyword is “tennis shoes” you may also show when someone searches for “athletic shoes” or “running shoes”.

Broad match throws out a big net and is not usually recommended, unless you're willing to invest a good amount of your budget into keyword research, knowing that it may not generate leads or sales right away. People use all kinds of different search terms to look for things. Broad match gives more opportunity to show for these different keywords. However, these don't always produce searches in line with what you're after, so more monitoring and addition of negative keywords are needed.

## ***What is Google Ads Smart Bidding?***

A part of the Google AI includes automated bidding to maximize results. This should be part of your budget strategy and watched daily early on to optimize ROI.

With search, display, and shopping ads there are different smart bidding strategies depending on the goal of the campaign including conversions, clicks, top of page, targeted cost per action (CPA) and targeted return on ad spend (ROAS).

Google's AI bids for keywords in real time, based on the user, their search characteristics, targeted keywords and goals of the campaign. The on the fly analysis done by Google's AI eliminates a lot of the need for the advertiser to monitor and adjust all bid specifics for keywords based on the best days, times, keywords, etc. to meet the goals set forth. Google's AI does all that for you.

## ***How Does Google AI Work?***

Google AI works in two key areas. First, it helps find the best performing keywords based on click and/or conversions, and second, Google learns who is most likely to engage with your ads. It can do this because Google knows so much about people using the search engine. For example, Google can mine the data from millions of Gmail user accounts. This includes their search history and

the content of their emails. This data mining, and other factors proprietary to Google, drives Google's AI.

Google takes great pride in their machine learning or AI, but the concern is the time it takes for the AI to get results and ultimately the increase in spend while the Google AI gets up to speed.

The Google AI can be used to maximize conversions by targeting searchers most likely to convert based on who has converted in the past. It is recommended to optimize for conversions using Google AI because it is the best use of Google's targeting to drive ROI and keep the ads focused on your target market.

## ***What are Impressions in Google Ads?***

This is an indicator of how many times your ad was potentially seen by users in Google search results. It is not an indication of clicks and there is no guarantee the user saw your company name and experienced your brand, but it does report your ad was displayed in the search results.



## ***What are Clicks and Click Through Rates (CTR) in Google Ads?***

This is an indicator of how many users click on an ad and go to your key landing pages or website linked to the ad. Google also calls this interaction rate.

CTR rates are going to differ in search vs. display ads. Since search is more of a direct to action form of advertising, higher CTRs are possible with strategically targeted campaigns.

With display ads being more of an awareness type of advertising that keeps your business top of mind, these tend to have lower CTRs and conversion rates.

There are different industry benchmarks and audience benchmarks: B2B, B2C and eCommerce, but generally good Google Ads search campaigns and ads will have a CTR over 3%. Click through rates below 1% could call

for further review on a search campaign, but could be good for a display campaign.

## ***What are Conversions in Google Ads?***

A conversion is a measurable interaction with a user. The user is reaching out and is no longer anonymous. Users convert through their preferred method and multiple conversion points or CTAs are needed to meet user needs. There should be several conversion points or call-to-actions (CTAs) on your website and in your key landing pages. Test various CTAs to see what works best. It's critical to understand your sales and marketing funnels, or customer journey, when developing your CTAs.

## ***How does Google Ads Track Phone Calls?***

With many searches coming from mobile, it is very common for the phone number on your website to be called by users and tracked as a key CTA. Google has the ability to phone track calls that originated from a Google Ad. Include this in your conversion tracking in your Google Ads account.





## ***What is User Engagement in Google Ads?***

This is an indicator of how engaged the user is when visiting your website. Engagement is seen through stats like the bounce rate, pages visited and time on the website. Traffic from outside the U.S. and spam bots can impact these numbers and should be blocked in Google Analytics. Engagement is usually lower for people coming from Google Ads because they may not know your brand. For this reason landing pages matching user intent are very important. Also, your website should be a resource for users and easy to use.

## ***What are Landing Pages in Google Ads?***

These are the web pages people go to when they click on a Google Ad. The better targeted the content on these pages to the user intent, the higher the conversion rates. Landing on your website is fine, but targeted landing pages convert at higher rates when they have solid CTAs and

best relate to the ads people clicked to get more information and make contact with your company.

Remember that your keyword's quality scores are impacted by the landing page experience. It's a good idea to include your top targeted keywords on the landing page in prominent places like titles and headings.

Consider the whole search experience from the keywords they type into Google, to the ad copy, to the landing page. Does it match up? Is the user landing where they expect to? Do you mention a promo or something special in the ad, but there's no mention of it on the landing page? Always keep the user in mind and implement heat maps to see how they actually interact with your landing pages.

# What is Retargeting in Google Ads?

This is the online advertising technique used in display ads that follows a user after they click on an ad. This allows ads to display on the next website they visit. For example, a user will click on your Google Ads and then go read an online newspaper. A new display ad will appear for your website on that news website. This is called retargeting users in Google Ads. There are restrictions on this approach for some companies by Google.



# Your Website and Landing Pages

Poor landing pages and websites can hurt your brand. This becomes especially painful when you are paying to send people to these pages!

**Don't launch your Google Ads campaigns until your website and landing pages are ready to go.**

**You must make sure to only run ads when you have excellent landing pages. Your Google Ads key landing pages must follow this checklist:**

- ✓ *Professional layout and design*
- ✓ *Clear tagline in the main banner*
- ✓ *A banner image connected to the tagline*
- ✓ *Static images and content*
- ✓ *Listing at least three key benefits below the header and how you solve user pain and meet their desire*

- ✓ *List your key services or products related to those benefits*
- ✓ *Show your plan for how to do business with you or buy*
- ✓ *Include testimonials, client logos or case studies*
- ✓ *A CTA that works to meet the user's place in their marketing funnel*
- ✓ *Easy to find contact information with a variety of contact methods*

***Spend time learning more about website content, how your target market uses resources, website usability and what CTAs work best in your industry. These are the strategies used to improve your landing pages.***

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# Market Segmentation and Personas

This research and analysis is needed to get inside the head of the website visitor and understand their intentions. Personas should be developed for each market segment as they relate to each of your products and services.

**Here are a few action items to better understand your target market:**

- ✓ *Determine how people use mobile devices when clicking on ads.*
- ✓ *Write out specific market segments by demographics and create specific personas in each category.*
- ✓ *Develop a brief survey to begin gathering information on users.*
- ✓ *Set up Leadfeeder to track institutional buyers.*

There is no doubt marketers who understand their target market get the best results with Google Ads than those who don't. Are you guessing or have you talked to your prospective customers?



# Target Google Ads by Location

One of the best opportunities for solid ROI in Google Ads is targeting by specific regions, states, cities and even zip codes. In fact, you may want to set-up campaigns specifically targeting these areas. If you are marketing nationally, the budget should be maximized for states at a minimum.

***Local targeting is one of the great strengths of Google Ads for budget and ROI results.***

Another consideration is rural customers who may not have access to your products and services near them. These customers can be targeted by zip code, although they tend to have fewer searches, the conversions rates may be much higher.

***Monitor Google Ad Performance by Time and Day.***

In a perfect world, your company would be open 24-7, just like your website. In reality, most businesses will need time to respond to inquiries from Google Ads. The good news is people

understand business hours and tend to spend more time online during business hours. Google Analytics and Google Ad reports provide an accurate gauge for when people visit your website.

Generally, people convert at higher numbers early in the week during normal work hours as Internet usage is highest during the work week. Yes, people are not always working; they are often searching the web for both personal and business needs.

People searching after business hours still want what they need or desire 24-7. For this reason, it is critical you have systems in place for speedy response times when people inquire from Google Ads.

***The company that responds the fastest to a lead from Google Ads often earns the business!***

However, messaging on the website should be clear. It does not matter when you contact our company, we will respond the next business day if the office is closed. Make response time a competitive advantage.

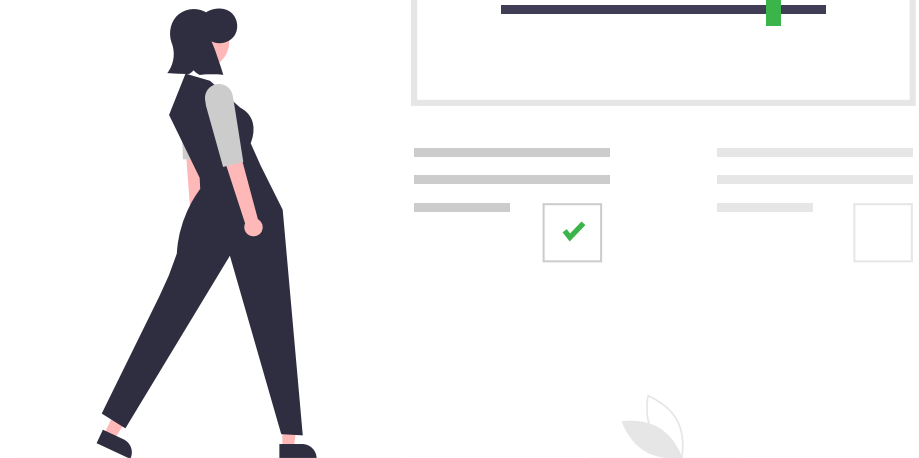


# Google Ad's Role in Multi-Channel and Cross Channel Marketing and Branding

Users will click on a paid ad to find your company website. They will later return by going directly to your website or by using organic search terms in Google. People use various methods for staying in touch with a brand and need multiple impressions before they move forward with a conversion or before they buy. In addition, they often forget they first clicked on an ad to find your company!

**Because of this, all your digital marketing channels contribute to branding and growth and must work together with Google Ads to drive marketing results and sales.**

Track brand impressions in search over time and watch for growth from direct and organic traffic, social media and other sources as a result of your Google Ads reach. This is a way to measure the branding impact.



## **ROI Analysis: Conversions Versus Impressions (Branding)**

As we discussed, both branding and conversions are important and budget dependent in your Google Ads campaigns. Conversions are strategically based on ROI and seeing a return immediately for the spend. Impressions are part of a long term strategy and require an investment with a delayed ROI coming months or even years down the road.

As a part of your formula for success with Google Ads, you must take into account both branding and direct conversion when determining ROI. Start by determining what percentage of spend should go to branding. Once that's done you can use a formula to track what campaigns, Ad Groups, ads and keywords produce the best ROI. Based on this data, you can turn off what does not work and accelerate what does.

**Let's take a look at an example of how this works.**

Let's start with a recommended budget of 20% for branding and 80% for direct conversions to measure ROI. Once you set these parameters a formula can be developed to determine ROI. The ROI formula is as follows:

**Average Customer Value (Lifetime Value) - Cost per Conversion (CPC) = Gross Profit**

**Gross Profit x 20% cost towards branding = Branding Expense per Conversion**

**Gross Profit - Branding Expense per Conversion = Target Cost per Conversion**

## Now we'll plug in a few numbers into the formula to see how conversions and branding work together to drive ROI.

\$200 Average Customer Value (Lifetime Value) - \$100 CPC = **\$100 Gross Profit**

\$100 Gross Profit x 20% (cost towards branding) = **\$20 Branding Expense per Conversion**

Cost per Conversion Target = **\$80**

This means any cost per conversion over \$80 may not provide the ROI you desire from Google Ads. This sets a targeted conversion rate cost that takes into account the impact of branding expenses.

## Summary

For many companies, Google Ads present a growth opportunity not to be ignored. Google Ads can drive excellent ROI in the targeted opportunities to find new market segments and build awareness about your company. This results in growing sales.

There are many challenges to overcome with Google Ads, yet when the challenges are met, most companies have a tremendous opportunity to reach new markets and grow their sales.

What they need is a winning formula. Put this strategy together and make the formula work for your company.

**Strategy + Google Ads Knowledge + ROI Formula = Google Ads Success**



# One Last Word on GoTo.com

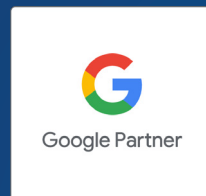
In case you are wondering, GoTo.com became Overture, which was purchased by Yahoo, which was in turn purchased by Verizon. Yahoo sold off their paid search to Microsoft in 2009. What's left of GoTo.com can now be found by searching on Bing, Yahoo or when using Microsoft Ads.

## Action Items

- Outline your Google Ads strategy as defined in this eBook by using the included formulas.
- Start with keywords, campaigns, Ad Groups and ad content.
- Develop a process for a regular review of Google Ads data and reports.
- Optimize the content and CTAs on your website and landing pages.
- Determine the percentage of brand impressions in your total Google Ads budget.
- Watch for negative keywords daily in the first week of your campaign launch.
- Determine the percentage of spend going to branding and conversions.
- Set weekly meetings to analyze and review Google Ads results with your team.
- Keep going strong with SEO efforts as they are critical to your digital marketing success and Google Ads compliment organic search results.
- Contact Intuitive Websites for Help.



**Contact us today and see how  
Intuitive Websites can help with  
your Google Ads success.**



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## Aubree Deimler

Aubree Deimler is the Inbound Marketing Manager at Intuitive Websites in charge of attracting and increasing new leads to our client's websites and expanding our client's brands through creation and implementation of strategic digital marketing plans.

With over 15+ years of experience in the digital marketing space she is well versed in SEO, SEM and developing an engaging online brand. She is passionate about online marketing and stays on top of the many facets of an ever-changing industry.

Aubree is Google Ads certified and strategically manages our clients Google Ads accounts up to \$40K in monthly spend, resulting in above average conversion rates.

She communicates and educates our clients on inbound marketing methods with strategic, data-based insights, website tracking and reporting.

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