(c) based on this, how would you approach ad spending if you are working at a company.

We believe there are two strategies company can approach ad spending to deliver both rapid returns and sustained growth:

* **Shift focus from paid media to owned and earned media for brand keywords.** Research showed users easily substituted paid search clicks for natural search clicks for brand queries. Company could reallocate spending from low-performing paid search and invest in maximizing the value from owned media (such as a company website) and earned media (such as a blogger writing about your product) to boost organic search-engine optimization (SEO) and conduct a thorough technical site audit, which aims to drive higher value for the corporate brand. However, paid search for brand queries could be still effective for small and new entities that have no brand recognition.
* **Measure impact of paid media for non-brand keywords on granular level.** Research showed the majority of these paid clicks may not directly result in positive ROI and incremental sales, reasons being new and infrequent users are positively influenced by ads but that more frequent users whose purchasing behavior is not influenced by ads account for most of the advertising expenses. A typical company’s digital buy can have as many keywords and display ads by size, type, and placement, each with individual performance information. In such a data-rich environment, in-depth analysis at the granular level can identify significantly more value by uncovering both good and poor performance than reliance on misleading averages.

Overall, company should stop paying for the majority of the poor-performing keywords, only keeping important ones for strategic reasons.