Research Report: Google Ads Performance Intelligence

Prepared by: [Ayushi Mishra]

Objective: Data Understanding, Metric Research, and Optimization Strategies

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1. Data Understanding: Dataset Breakdowns

To build an effective dashboard, we must first understand the "lens" through which each data tab views the performance.

Campaigns

- **What it represents:** The high-level view of your advertising goals.
- **Key Columns:** Campaign Name, Status, Budget, Bid Strategy Type.
- **Why this view exists:** To monitor which broad strategies (e.g., Brand Awareness vs. Sales) are consuming the most budget and their overall ROI.

Searches / Search Words (Search Terms)

- **What it represents:** The actual queries users typed into Google before seeing your ad.
- **Key Columns:** Search Term, Match Type, Added/Excluded status.
- **Why this view exists:** It reveals the gap between what you *thought* people would search (Keywords) and what they *actually* searched (Search Terms). It is the primary tool for finding "Negative Keywords."

Devices

- **What it represents:** Performance segmented by hardware (Mobile, Desktop, Tablet).
- **Key Columns:** Device, Clicks, Conversions, Cost per Conversion.
- **Why this view exists:** User behavior varies by device. For example, mobile often has higher clicks but lower conversion rates if the mobile checkout process is difficult.

Networks

- **What it represents:** Where the ads appeared (Google Search, Search Partners, or Display Network).
- **Key Columns:** Network (with Search Partners), Impressions, CTR.
- **Why this view exists:** To ensure your ads are showing in high-quality environments. Search Partners might offer lower costs but lower lead quality.

Day & Hour

- **What it represents:** Temporal performance patterns.

- **Key Columns:** Day of the week, Hour of day, Conversions.
- **Why this view exists:** To identify "peak hours" for your business. If conversions happen mostly on Monday mornings, you can increase bids during that window (Ad Scheduling).

Optimization Score

- **What it represents:** A percentage (0–100%) indicating how well Google's AI thinks your account is configured.
- **Key Columns:** Score, Recommendation Category, Potential Lift.
- **Why this view exists:** It acts as a health check, providing automated suggestions to improve performance.

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2. Core Google Ads Concepts & Metrics

The Fundamental Hierarchy

1. **Account:** The top level (Billing, User Access).
2. **Campaign:** Where you set the **Budget** and **Goal** (e.g., Search vs. Video).
3. **Ad Group:** Groups of related ads and keywords (e.g., "Running Shoes" vs. "Hiking Boots").
4. **Keyword:** The specific words you bid on to trigger your ads.
5. **Ad:** The actual creative (text/image) the user sees.

Critical Metrics Explained

- **CTR (Click-Through Rate):** $\frac{\text{Clicks}}{\text{Impressions}}$. Measures how enticing your ad is to the user.
- **Conversion Rate (CVR):** $\frac{\text{Conversions}}{\text{Clicks}}$. Measures how effective your landing page is at turning a visitor into a customer.
- **CPC (Cost Per Click):** The average amount paid for a single click. Influenced by competition and your **Quality Score**.
- **ROAS (Return on Ad Spend):** $\frac{\text{Total Revenue}}{\text{Total Spend}}$. The ultimate measure of profitability.

Keywords vs. Search Terms

- **Keywords:** These are **proactive**. They are the words you (the advertiser) choose to target in your account.
- **Search Terms:** These are **reactive**. They are the actual words the user typed.
  - *Example:* You bid on the keyword "Coffee." A user types "free coffee near me." The latter is the search term.

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3. Common Optimization Strategies

I. Search Term Filtering (Negative Keywords)

Identify search terms that are spending money but not converting. Add these as "Negative Keywords" to prevent your ad from showing for those terms again. This "cleans" your traffic.

II. Bid Adjustment by Dimension

If the **Devices** tab shows that Desktop has a 10% conversion rate while Mobile has 2%, a marketer will apply a "Negative Bid Adjustment" to mobile (-50%) to spend more of the budget where it actually converts.

III. Improving Quality Score

Google rewards relevant ads with lower costs. To improve this, ensure the **Keyword** matches the **Ad Copy**, which in turn matches the **Landing Page** content.

IV. Ad Scheduling

Using the **Day & Hour** data, marketers turn off ads during "dead zones" (e.g., 2 AM to 5 AM) to preserve budget for high-intent hours.