

Digital Marketing

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1. What are the main factors that can affect PPC bidding?

Keyword Relevance:-

- **Quality Score:** Google uses Quality Score to determine the relevance of your ads and keywords. Higher Quality Scores can lead to lower costs per click.
- **Ad Relevance:** How closely your ad matches the searcher's intent and the keywords they use.

Bid Amount:

- **Max CPC (Cost Per Click):** The maximum amount you're willing to pay for a click.
- **Competitor Bids:** What your competitors are bidding for the same keywords.

Ad Quality and Performance:

- **Click-Through Rate (CTR):** Higher CTR indicates more relevance and can lower costs.
- **Ad Copy Quality:** Engaging and relevant ad copy can improve CTR and Quality Score.

Landing Page Experience:

- **Relevance:** How well the landing page matches the ad's promise.
- **User Experience:** Factors like page load speed, mobile-friendliness, and ease of navigation.

Target Audience:

- **Demographics:** Age, gender, location, and other demographic factors.
- **Interests and Behaviours:** Custom audiences based on user behaviour and interests.

Ad Extensions:

- **Types of Extensions:** Use of site links, callouts, structured snippets, etc., can increase ad visibility and CTR.

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Budget Constraints:

- **Daily Budget:** Your daily spend limit can affect ad delivery.
- **Overall Budget:** Total budget allocated for the campaign.

Campaign Settings:

- **Ad Schedule:** Times and days when your ads are set to run.
- **Geotargeting:** Specific locations where your ads are shown.

Historical Performance:

- **Past Campaign Data:** Performance history can impact future bids and ad placements.
- **Conversion Rates:** Higher conversion rates can justify higher bids.

Industry Trends and Seasonality:

- **Market Demand:** Changes in demand can affect competition and bids.
- **Seasonal Factors:** Holidays and seasonal trends can influence bidding strategies.

Ad Platform Features:

- **Bid Adjustments:** Adjusting bids for devices, locations, and audience segments.
- **Automated Bidding Strategies:** Using smart bidding strategies like Target CPA or ROAS.

2. How does a search engine calculate actual CPC?

1. Ad Auction:

- When a user performs a search, an ad auction is triggered. Advertisers enter this auction by specifying keywords and maximum bids.

2. Ad Rank Calculation:

- Each advertiser's Ad Rank is calculated. Ad Rank is determined by multiplying the advertiser's bid (maximum

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CPC) by their Quality Score. $\text{Ad Rank} = \text{Max CPC} \times \text{Quality Score}$
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3. Ad Placement:

- Ads are then ranked based on their Ad Rank. The highest Ad Rank gets the top position, the second highest gets the next position, and so on.

4. Actual CPC Calculation:

- The actual CPC is not the same as the maximum CPC bid. Instead, it is the minimum amount required to maintain the ad position.
- The actual CPC is calculated using the following formula:
$$\text{Actual CPC} = \frac{\text{Ad Rank of the competitor below you}}{\text{Your Quality Score}} + \$0.01$$

3. What is a quality score and why is it important for Ads?

A Quality Score is a metric used by search engines, particularly Google Ads, to measure the relevance and quality of your ads, keywords, and landing pages. It plays a crucial role in the effectiveness and cost-efficiency of your PPC (Pay-Per-Click) campaigns.

Components of Quality Score:

1. Expected Click-Through Rate (CTR):
 - This estimates the likelihood that your ad will be clicked when shown. Higher CTRs indicate more relevant ads.
2. Ad Relevance:
 - This assesses how closely your ad matches the intent of the user's search query. Relevant ads get higher scores.
3. Landing Page Experience:

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- This evaluates the quality and relevance of the page users land on after clicking your ad. Factors include page load speed, mobile-friendliness, and the content's relevance to the ad.

Importance of Quality Score:

1. Cost Efficiency:

- A higher Quality Score can lead to lower costs per click (CPC). Since search engines reward relevant ads with lower CPC, you can achieve more clicks for the same budget.

2. Ad Rank:

- Quality Score directly impacts your Ad Rank, which determines your ad's position in search results. Higher Quality Scores can help your ad appear in a higher position, even with lower bids.

3. Better ROI:

- By improving the relevance and quality of your ads, you increase the likelihood of clicks and conversions, leading to a better return on investment.

4. Competitive Advantage:

- A high Quality Score can give you an edge over competitors. Even if they bid higher, your ad may still rank better and cost less.

5. User Experience:

- Quality Score encourages advertisers to create relevant and useful ads, enhancing the overall user experience on the search engine. This leads to more satisfied users and better engagement with ads.

How to Improve Quality Score:

1. Optimise Ad Copy:

- Write clear, relevant, and engaging ad copy that closely matches the keywords you're targeting.

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2. Refine Keywords:

- Use targeted, relevant keywords and regularly review and adjust your keyword list based on performance.

3. Enhance Landing Pages:

- Ensure your landing pages provide a good user experience, load quickly, and contain content relevant to the ad and keywords.

4. Use Ad Extensions:

- Implement ad extensions like site links, callouts, and structured snippets to provide additional information and improve ad visibility.

5. Monitor and Adjust:

- Regularly review your campaign performance and make adjustments to improve ad relevance, CTR, and landing page experience.

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