

- What are the main factors that can affect PPC bidding?

Answer: Here are the main factors that can affect PPC bidding:

- Quality Score – Google considers ad relevance, CTR (click-through rate), and landing page experience. Higher scores lower cost-per-click (CPC).
- Ad Rank – Determined by bid amount \times Quality Score \times ad extensions. A higher Ad Rank improves ad position.
- Competition Level – More advertisers bidding on the same keyword increases CPC.
- Keyword Relevance & Match Type – Exact match costs differently than broad or phrase match.
- Geographic Targeting – Bids may vary by location depending on demand in that region.
- Time & Day – Costs fluctuate depending on peak hours or weekdays vs. weekends.
- Device Targeting – Mobile, desktop, or tablet bids can differ based on performance.
- Industry & Niche – Competitive industries (finance, insurance, tech) usually have higher CPC.
- Ad Extensions & Formats – Using sitelinks, callouts, etc. can improve CTR and lower CPC.
- Budget & Bidding Strategy – Manual vs. automated bidding (like Target CPA, Maximize Conversions) impacts CPC.
- Historical Performance – Previous ad performance influences how much you'll pay in future auctions.

• How does a search engine calculate actual CPC?

Answer: Search engines (like Google Ads) don't charge you your maximum bid—instead, they calculate your Actual CPC (Cost Per Click) using the Ad Rank of the competitor below you.

Formula for Actual CPC:

$$\text{Actual CPC} = \frac{\text{Ad Rank of competitor below you}}{\text{Your Quality Score} + 0.01}$$

Step-by-step process:

1. Ad Rank Calculation
 - a. Ad Rank = Bid × Quality Score × (other factors like ad extensions, relevance).
 - b. Google sorts all advertisers in descending order of Ad Rank.
2. Position Assignment
 - a. Higher Ad Rank = better ad position on search results.
3. CPC Calculation
 - a. Your CPC depends on the Ad Rank of the competitor just below you.
 - b. Google divides that competitor's Ad Rank by your Quality Score and adds a small increment (usually \$0.01).

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

Answer: Good one 👍 Let's make it simple:

☒ What is Quality Score?

Quality Score is a rating (1–10) that Google assigns to your keywords and ads.

It shows how relevant and useful your ad is to the user compared to other advertisers.

It's based on 3 main factors:

1. Expected CTR (Click-Through Rate) – How likely people are to click your ad.
2. Ad Relevance – How closely your ad matches the user's search intent/keyword.
3. Landing Page Experience – How useful, fast, and relevant your webpage is after the click.

☒ Why is Quality Score important?

1. Lower CPC (Cost Per Click) – Higher score means you pay less per click.
2. Better Ad Rank – Helps your ad show in higher positions.
3. More Visibility – Ads with good Quality Score can appear more often.
4. Higher ROI – Saves money and improves performance of campaigns.