



# PPC 101

*The Complete Beginner's Guide  
to (Succeeding at!) PPC*

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# Introduction

Have you ever noticed the “ad” results in a Google search or the “promoted” posts on your social media feed? These are pay-per-click (PPC) ads and there’s a reason you see them so much: They work!

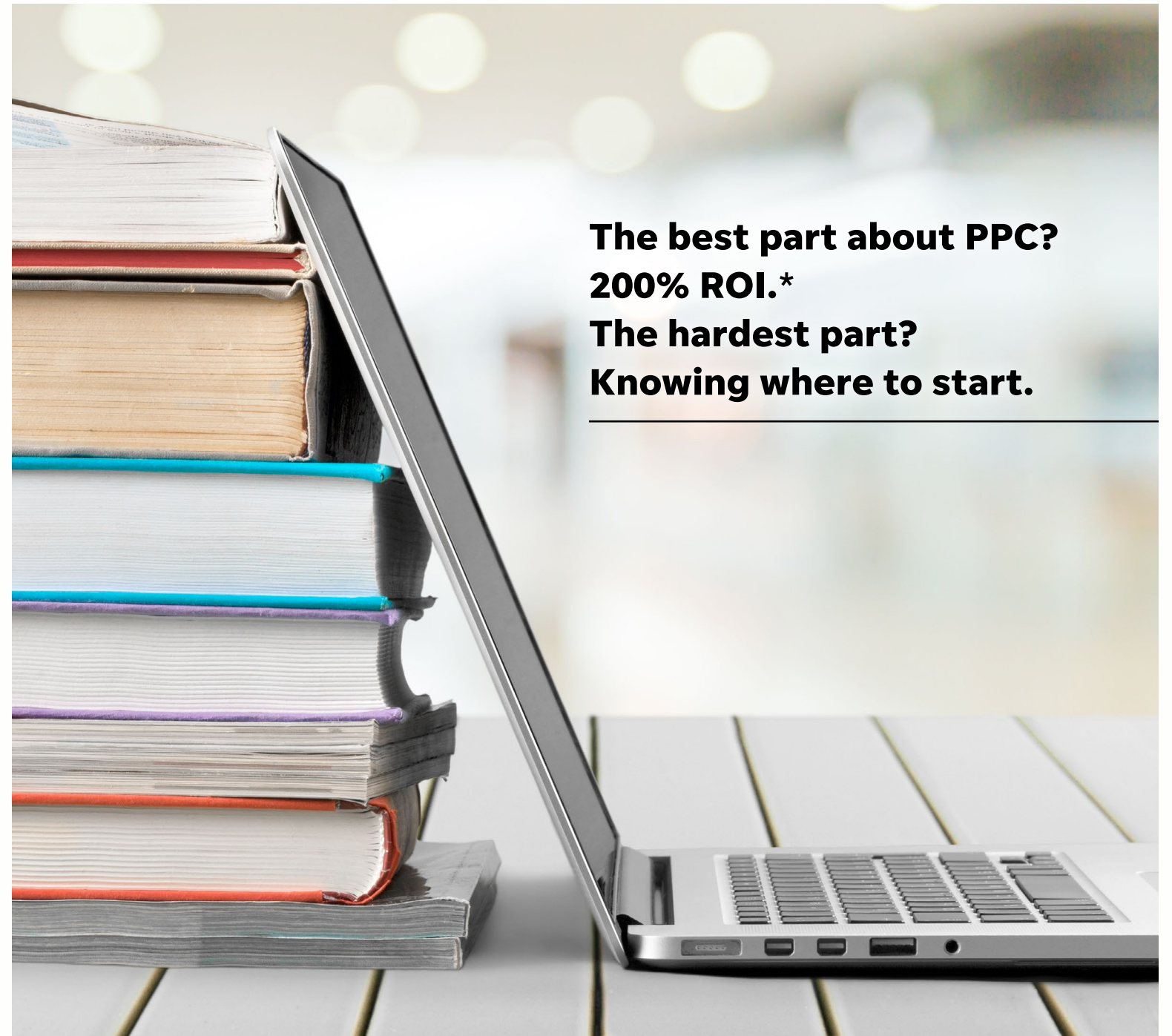
Businesses big and small use PPC ads to meet a wide range of goals, from brand awareness and lead gen to conversions and online sales. It’s one of the easiest and most cost-effective ways to grow your business...

The only hard part is knowing where to start.

**But we’ve got you covered! Read on learn:**

- The basics of PPC including Google Ads, Facebook ads, and more.
- Key metrics you need to know and what to strive for.
- Tips for writing great ads and keeping costs low.

**With this easy guide, you can jump into the online advertising game with confidence and start reaping its benefits.**



**The best part about PPC?  
200% ROI.\***  
**The hardest part?  
Knowing where to start.**

\* [Source](#)

# What is PPC?

PPC stands for pay-per-click, a model of online advertising in which advertisers pay a fee each time one of their ads is clicked.

PPC ads come in different shapes and sizes (literally) and can be made up of text, images, videos, or a combination. They can appear on search engines, websites, social media platforms, apps, app stores, and more.

The image displays four distinct types of Pay-Per-Click (PPC) advertisements:

- Shopping:** A Google search result for "storage shelving" showing a grid of product listings with images, prices, and brand names (e.g., Chrome Wire Shelving Unit, Hirsh Industries).
- Social:** A Facebook-style advertisement for GEICO featuring a green gecko mascot and text promoting a "Special discount for professional org members."
- Display:** A large, colorful banner advertisement for MailChimp with the text "Put our Creative Assistant to work today" and a "Sign Up" button.
- Search:** A text-based advertisement for Talkspace Online Therapy, including a URL, headline, description, and a "Deal" code.

When a user clicks on a PPC ad, they are brought to a [landing page](#) that has more details about the offer and the means of obtaining it. Lots of advertising platforms also offer a lead form ad format where clicking on the ad will bring up a form within that platform rather than sending users to a landing page.

# Why PPC?

PPC is one of the highest ROI channels for marketers and advertisers, earning an average of \$2 for every \$1 spent. What makes it such an effective marketing channel? Let's take a look.

- **Reach and volume:** PPC platforms offer impressive targeting options—by interests, online behaviors, previous interactions with your business, and what they're searching online—ensuring you reach highly qualified audiences at scale.
- **Fast results:** While [SEO](#) is essential for any business, it takes time for your content to rank. PPC ads, on the other hand, can start appearing as soon as your campaign is set live.
- **Data and insights:** The data you collect in your campaigns allows you to make data-driven decisions to maximize your budget as well as to gain invaluable customer insights.
- **Full funnel-friendly:** With all the different platforms, media formats, and targeting capabilities, you can use PPC throughout every step of your funnel. —————
- **Small budget-friendly:** PPC ad platforms use algorithms that choose winners based not just on bid, but on ad quality, leveling the playing field and allowing businesses with any budget to compete.

## Offers across the funnel

- Templates
- Guides
- Whitepapers
- Checklists

- Free tools
- Calculators
- Graders
- Data reports

- Demo
- Trial
- Assessment
- Purchase

# How does PPC advertising work?

PPC advertising looks different from platform to platform (Google, Bing, Facebook, Twitter, Reddit, etc.) but in general, the process is typically as follows:

1. **Choose your campaign type/ad format based on your goal.** Most platforms offer a variety of campaign types, depending on whether you're looking to build brand awareness, drive traffic, capture leads, or generate conversions.

### Choose a campaign objective

☐ Awareness


☐ Traffic

☐ Engagement

☐ Leads

☐ App promotion

☒ Sales



#### Sales

Find people likely to purchase your product or service.

**Good for:**

- Conversions ⓘ
- Catalog sales ⓘ
- Messenger, Instagram and WhatsApp ⓘ
- Calls ⓘ

[Learn more](#)[Cancel](#)[Continue](#)



- 2. Refine your settings and targeting.** The next step is to choose your audiences, devices, locations, schedule, etc. The options here vary depending on which channel and ad format you're using.
- 3. Provide your budget and bidding strategy.** Your budget is how much you wish to spend on the entire campaign, while your bidding strategy is the manner in which you want the platform to spend that budget—based on how aggressive you want to be and what you're aiming for—volume, value, a target goal, etc.

### Budget

Select the average you want to spend each day.

Set your average daily budget for this campaign

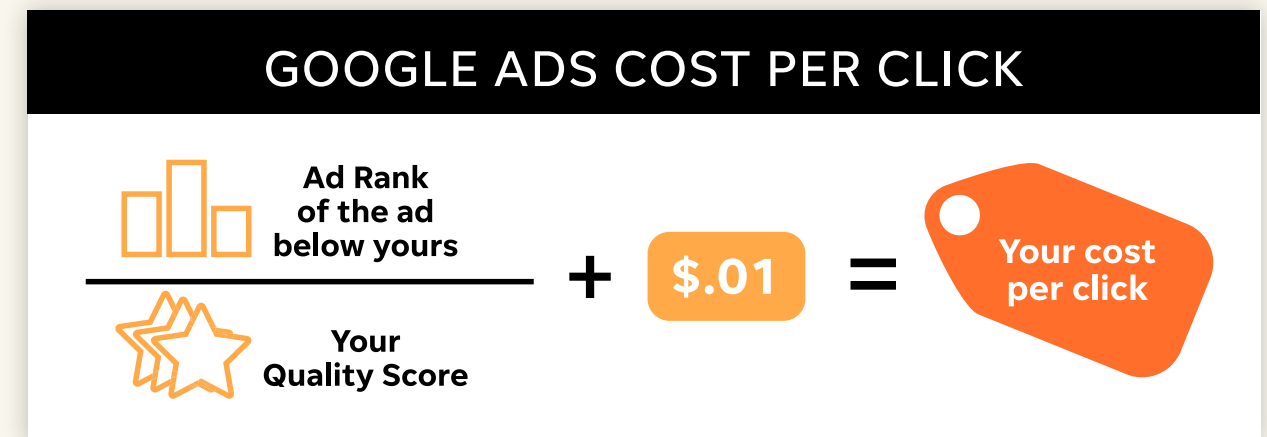
For the month, you won't pay more than your daily budget times the average number of days in a month. Some days you might spend less than your daily budget, and on others you might spend up to twice as much. [Learn more](#)

Next

- 4. Input your destination URL.** This is your landing page.
- 5. Build your ad.** Here is where you input your text and/or upload any creative assets.

Once the ad goes live, where and when your ad appears and how much you pay for a click on it are all determined algorithmically based on your budget, bid, campaign settings, and the quality and relevance of your ad.

The quality and relevance part is important—since all platforms that offer PPC advertising want to keep their users satisfied, they reward advertisers who create relevant, trustworthy pay-per-click campaigns with higher ad positions and lower costs. You can see what we mean in [this guide to how the Google Ads auction works](#).



**So if you want to maximize your profits from PPC, you need to learn how to do it right. Which is why we've written this guide!**

# What is Google Ads?

Google Ads is the pay-per-click advertising platform owned and operated by Google. It is the largest online advertising network in the world, used by millions of businesses to reach new customers as well as their sales, marketing, and revenue goals.

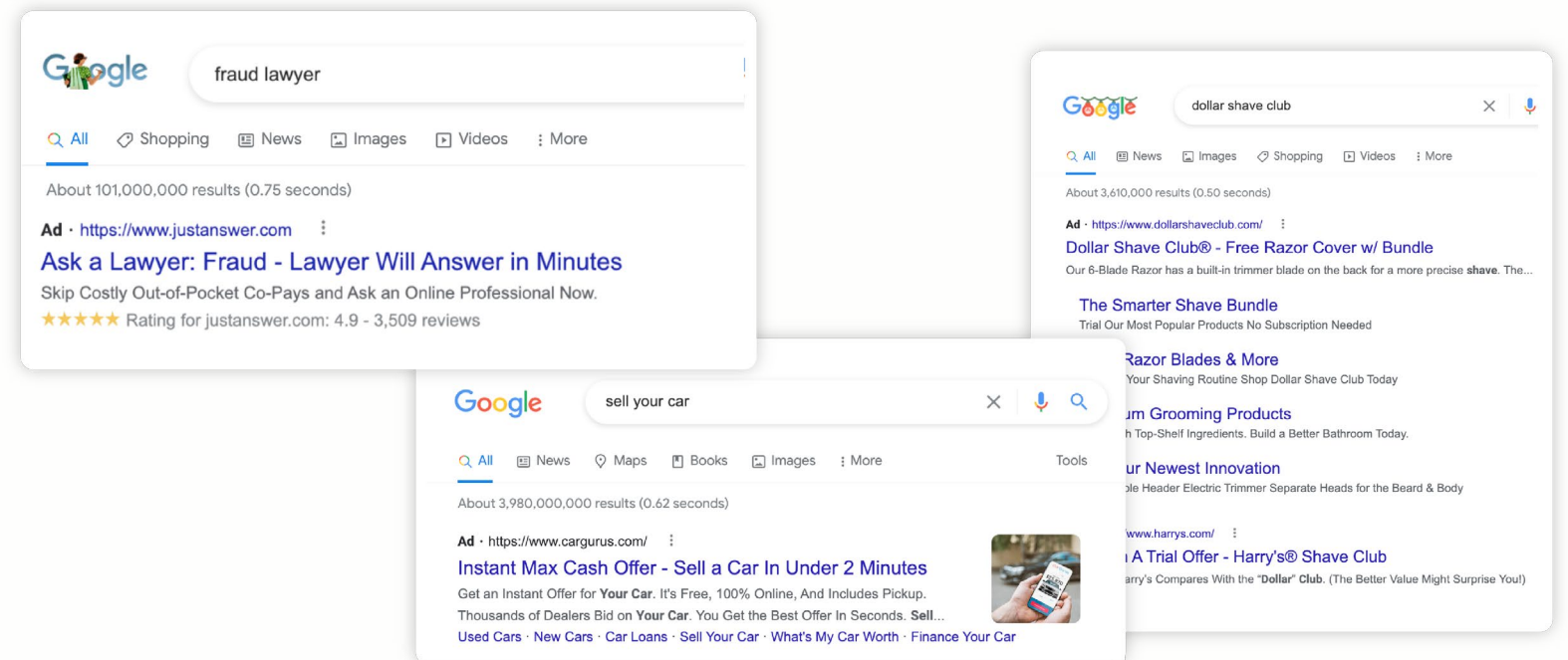
There are several types of Google ads, but here are the core networks:

## Search ads

Also known as paid search ads, these are text ads that appear on search engine results pages (SERPs) related to what a user has searched. While the term “PPC” can refer to any platform, people most commonly use it synonymously with search ads (Google search ads in particular).

Search ads are based on keywords, which are the words and phrases your target audience is typing into search engines.

Search ads are the go-to ad type for anyone looking to get started in PPC, so this guide will mainly be geared toward those. However, the core themes, principles, and practices tend to be applicable across platforms and strategies.



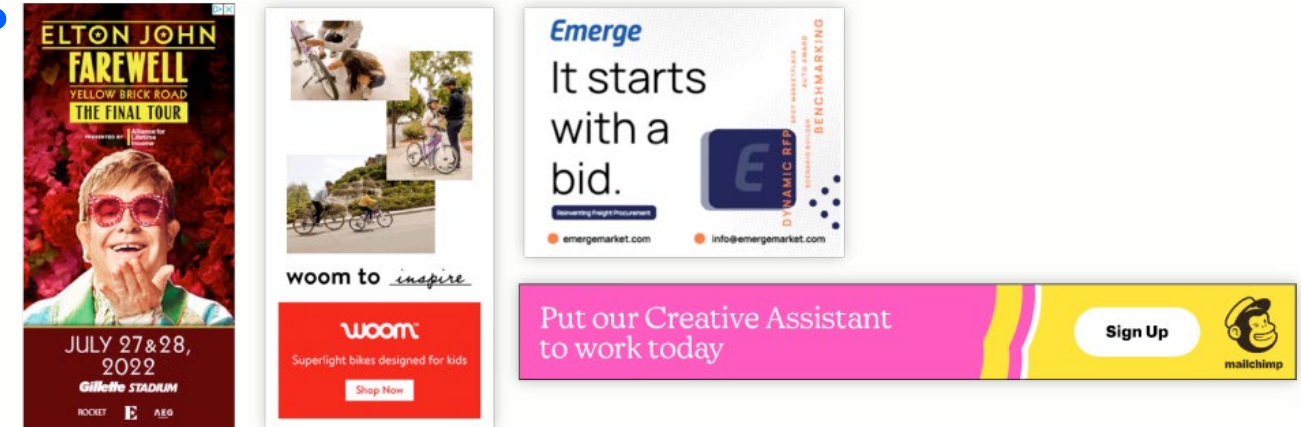


# Display ads

[Display ads](#) are the visual, banner-style ads you see on websites and apps as you're browsing the web. There are several display ad networks out there—Google's is called the Google Display Network and it reaches approximately 90% of global internet users, a vast potential audience.

While search ads target keywords, display ads target [audiences](#), topics, and interests. You can layer audience targeting onto search ads and target keywords with display ads, but it's less common.

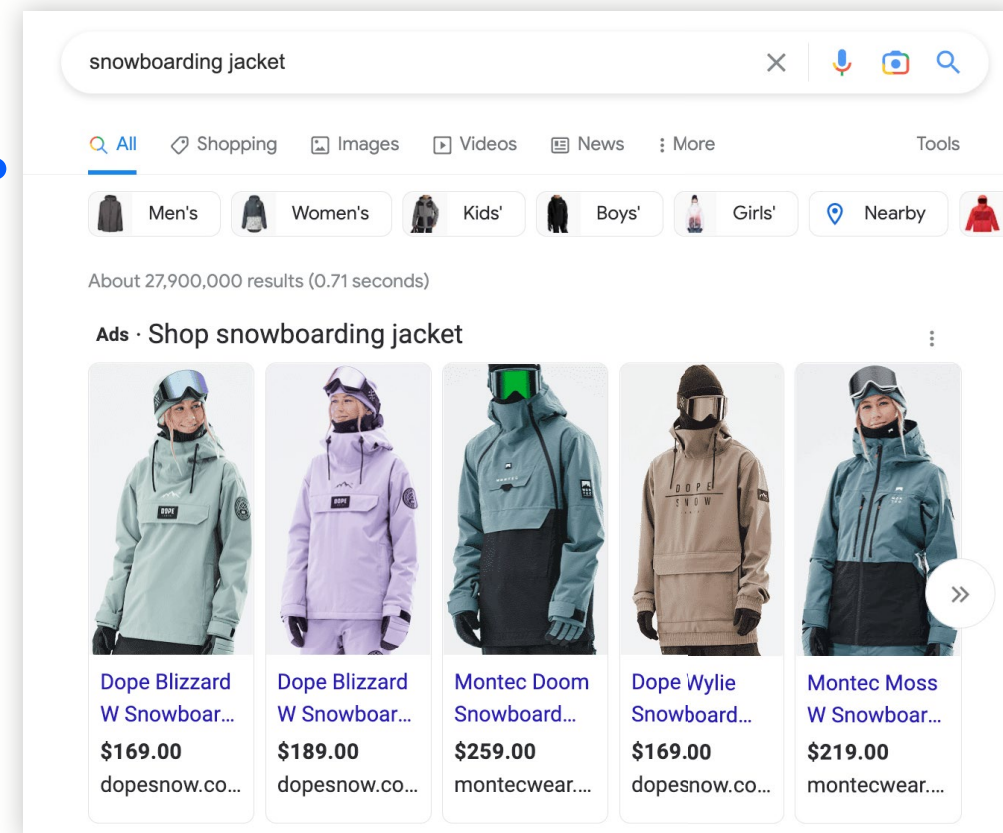
When it comes to [search versus display](#), they're ultimately best used together.

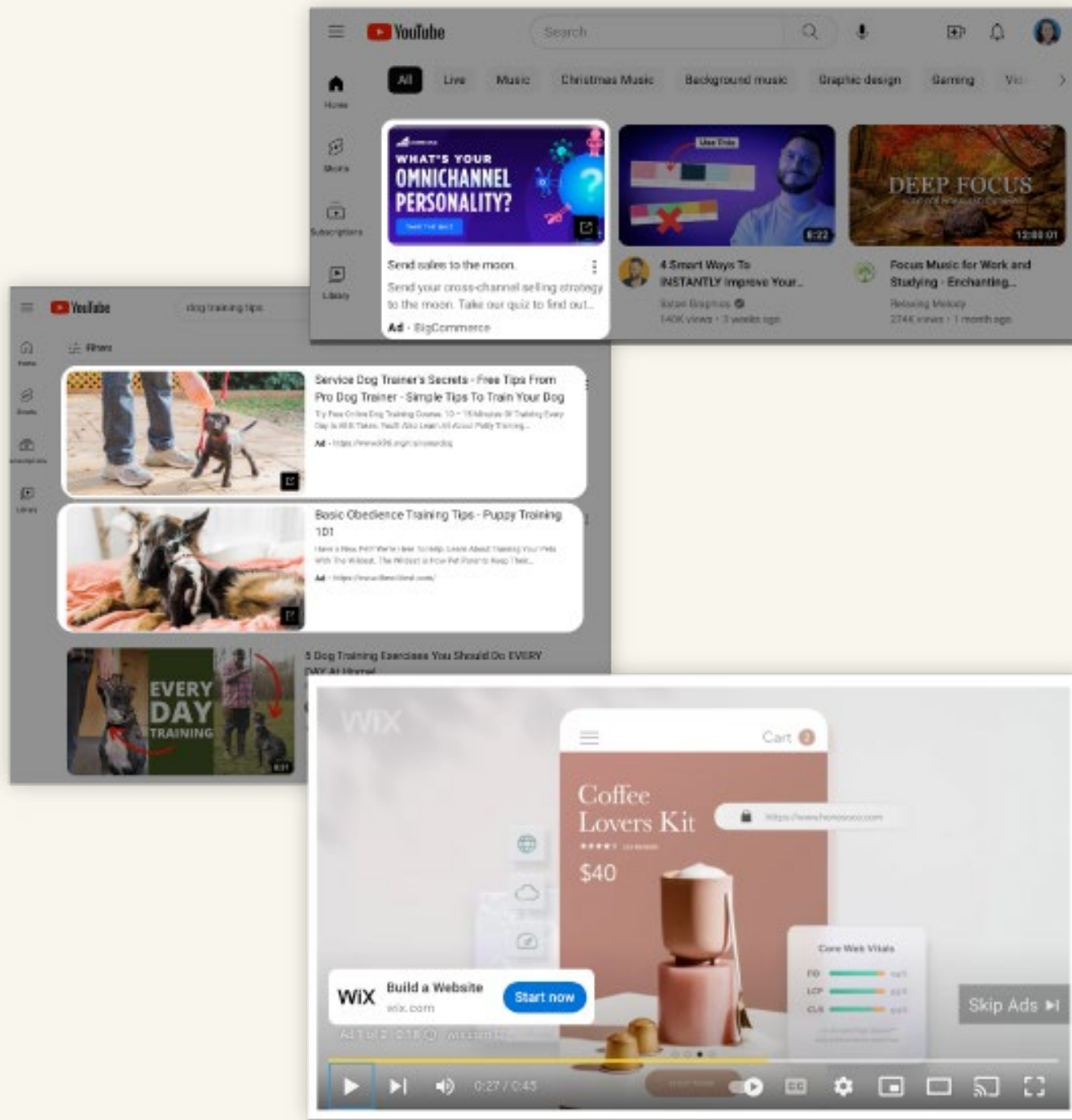


# Shopping ads

While search ads are keyword-based and display ads are audience-based, Shopping ads are feed-based. This means you connect a detailed product feed to your account and Google will display the products relevant to searches on the Google Search tab, Shopping tab, and other placements across the Google Shopping network.

Shopping campaigns are for ecommerce businesses, and viewers can buy directly from the ad or click through to the product page and buy from there. While you can't target keywords with shopping campaigns, you can [use negative keywords and priority settings](#) when bidding to control what Google shows and when.





## YouTube ads

Since Google owns YouTube, you can also use Google Ads to create video or static display ads that appear on videos, user feeds, and search results within YouTube. Like display ads, YouTube ads are based on audiences and topics and have a number of different placements and formats. Learn more in our [complete guide to YouTube advertising](#).

Each Google Ads channel offers its own set of benefits and can help you hit different marketing objectives. And within these channels, there are different campaign types, placements, formats, and more. There are even campaign types that allow you to advertise across multiple channels at once. Learn [more about every Google ad type here](#).



## Search

- Keyword-based
- Appear on the SERP
- Text ads
- Drive leads and conversions
- Capture high-intent buyers



## Display

- Audience/topic/page-based
- Appear on websites
- Image/video ads
- Drive brand awareness
- Indirectly improve other campaigns' performance

# GOOGLE ADS



## Shopping

- Product feed-based
- Appear on SERP and Shopping tab
- Product ads
- Drive ecommerce sales
- Improve lead and traffic quality



## YouTube

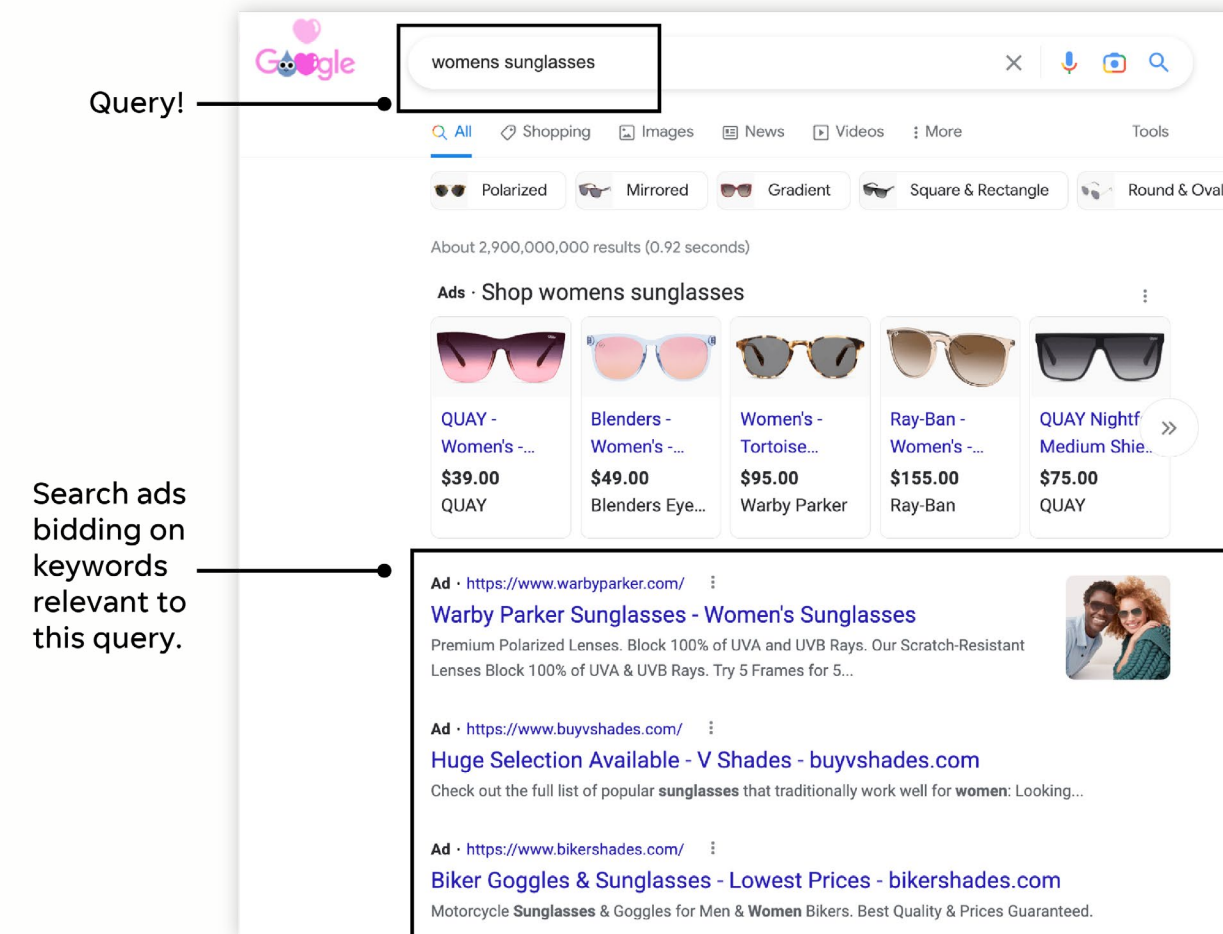
- Audience/topic/video-based
- Appear on YouTube videos and search results
- Image/video ads
- Drive brand and product discovery
- Engaging and memorable content type

# Keywords

Since search advertising is the go-to for PPC, this next section is dedicated to the building blocks of search ads: keywords!

## What are keywords?

Keywords are the words and phrases that people type into search engines. Well technically, when a person types them in, they're called queries; when businesses/marketers target them with PPC or SEO, they're called keywords. So if you're targeting the **keyword** "sunglasses," your ad might appear for the query "women's sunglasses," or "sunglasses for small faces."





# Why are they important?

When you build a search ad, you have to tell Google which keywords you're targeting so it can know which queries to show your ads for.

This is what makes search advertising so effective—the fact that you can get your ads to show for highly relevant searches. And as you now know, the success of your campaigns (including how much you pay for them) depends on the relevance of your ads and landing pages to the keywords you're bidding on.

So to succeed at PPC, you need to know how to identify and target the right keywords.

But before we get into that, there's one more thing you need to know about: match types.

# What are match types?

When you tell Google which keywords you're bidding on, you'll also have to assign them a **match type**. This tells Google how loosely or tightly you want Google to match your ads to user queries. There are three match types to choose from:

- **Broad match:** This is the least restrictive match type, and will cause your ad to appear for any queries related to the keyword. Broad match can lead to a lot of irrelevant impressions, but it can be helpful at the start of a campaign for gathering data.
- **Phrase match:** This will match your ad to any queries that include your keyword or include anything that means the same thing as the keyword. This is a good match type to start out with if you're a beginner since it's a happy medium between broad and exact.
- **Exact match:** Choosing exact match tells Google you only want your ad to appear for queries that are your keyword or are of the same meaning of the keyword.

KEYWORD MATCH TYPES			
	LOOKS LIKE	APPEARS FOR	COULD MATCH TO
BROAD	lawn mowing service	Searches that relate to your keyword	• lawn aeration prices
PHRASE	"lawn mowing service"	Searches that include the meaning of your keyword	• lawn mowing service near me • hire company to mow lawn • landscape service to cut grass
EXACT	[lawn mowing service]	Searches that are the same meaning as your keyword	• lawn mowing service • grass cutting service

# How to find keywords for your PPC campaigns

Our [guide to keyword research](#) will provide an in-depth walk through for you, but here are the basics:

- **Brainstorm** a list of core terms that represent the words and phrases your ideal customers use when searching for products/services you offer. Note that these are the terms *they* use, not necessarily the jargon *you* may use as an expert in your industry
- **Plug** these terms into a [keyword research tool](#) to get the monthly search volume, competition level, and average cost per click for those terms. You'll also find related keywords that you hadn't thought of.
- **Refine** the list to [commercial intent](#) keywords—meaning they contain terms a person uses when they want to purchase or do purchase research, like “buy x,” “cheap x,” and “x reviews.”
- **Group** related keywords together. We'll get to this in a bit, but an ideal Google Ads account has small ad groups with tightly related keywords.

WordStream | LOCALiQ

Free Keyword Tool

One tool to discover and prioritize the best keywords to target.

Enter a keyword or website URL to find suggestions:

roof repair

Refine your search with Industry and Location.

Choose an Industry (Optional):

Home & Home Improvement

Enter a State or Country:

United States

New Search

Keyword results for "roof repair"

Showing 25 of 500 keywords

Keywords

Monthly search volume

Top of page bid (low range)

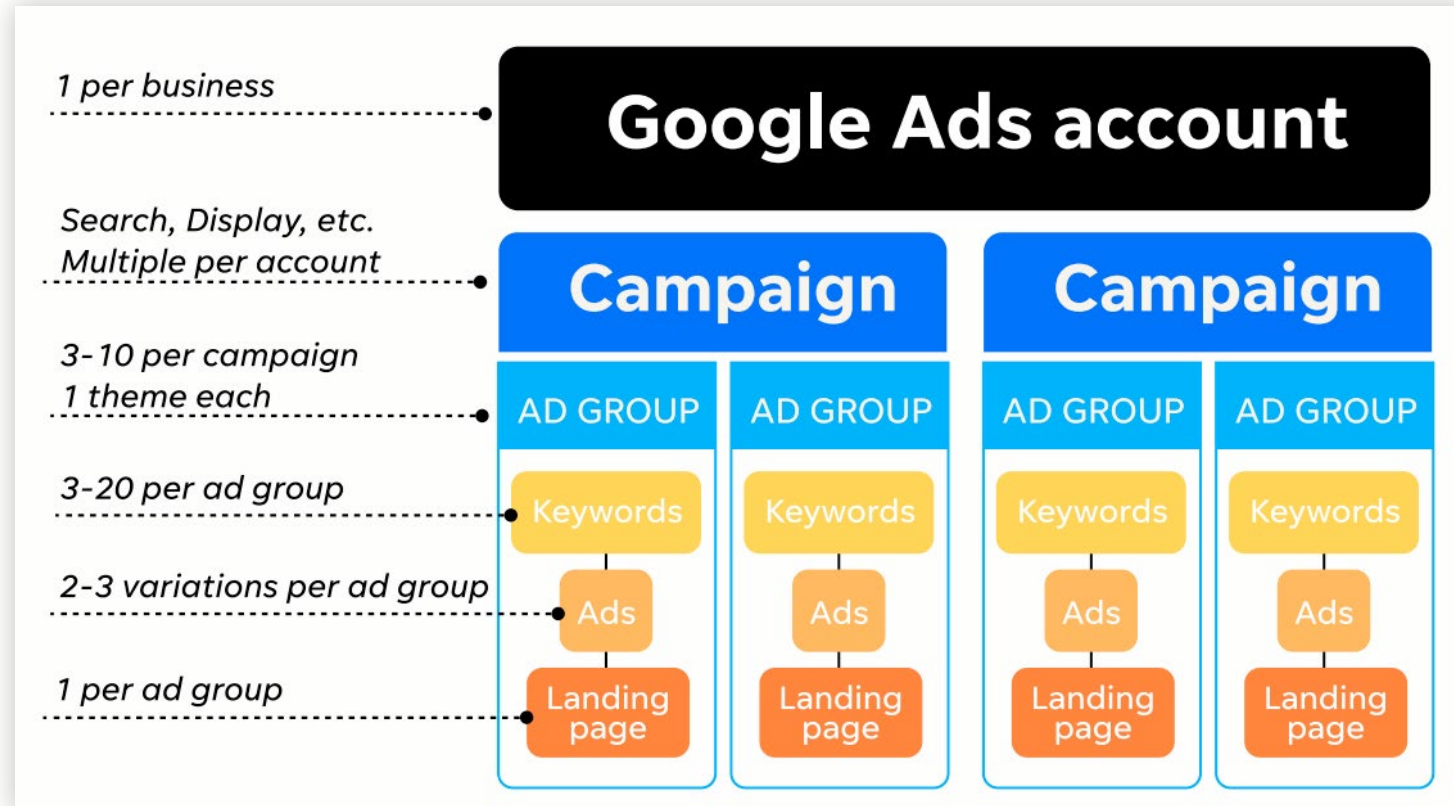
Top of page bid (high range)

Competition

roof company	301,000	\$9.74	\$50.00	LOW
roofer's	301,000	\$4.96	\$24.16	LOW
roof repair	246,000	\$7.21	\$34.83	MEDIUM
roof company near me	165,000	\$9.70	\$46.44	MEDIUM
roofing contractor	135,000	\$7.84	\$35.00	LOW
roofing contractor near me	49,500	\$9.12	\$44.00	MEDIUM
roof repair near me	33,100	\$8.44	\$40.00	MEDIUM

Download all Keywords

Try WordStream's [Free Keyword Tool](#) for your PPC keyword research.

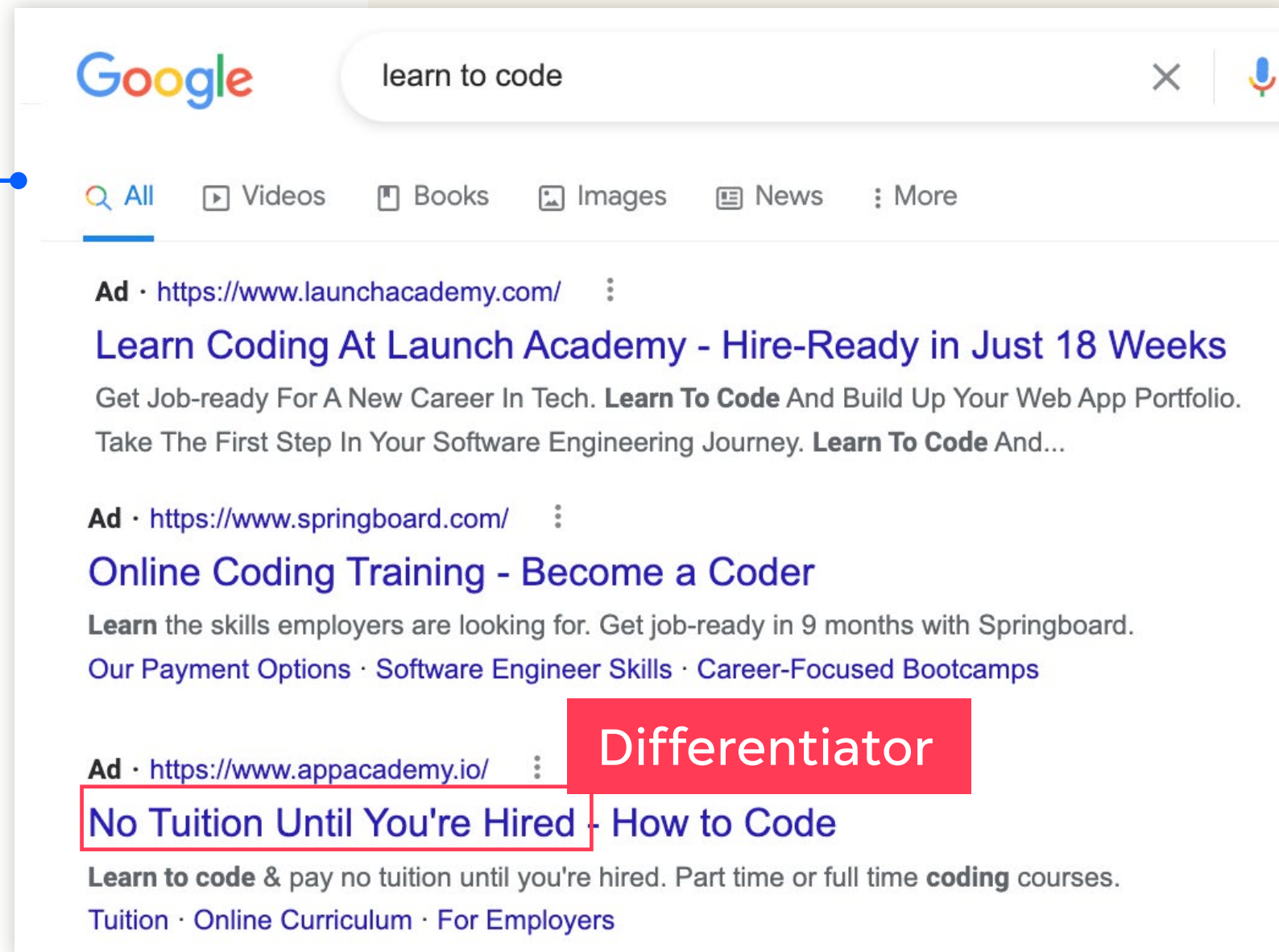


## How to target keywords with your PPC campaigns

When building your Google Ads campaign, you'll reach the "ad group" phase where you'll be asked to identify which keywords to target. That's where you'll input your collection of related keywords. Here's what you need to know.

- The best practice is to target no more than 20 keywords per ad group. Remember, they should all be related to the same theme.
- With search ads, you're actually bidding on keywords. If you're using manual bidding, you'll have to specify your maximum bid for each keyword (the most you're willing to pay for a click on that ad, if triggered by that keyword), so prioritize according to your highest value keywords. If you're using automated bidding, you'll tell Google what your goal is and Google will set the bid for you.

- When writing your ad copy, **use the keyword in the headline and description**, but don't keyword-stuff. Use the rest of the space to include features, benefits, and other differentiators.
- To make your ad even more relevant to the keyword, **consider dynamic keyword insertion**, which inserts the searcher's exact search query into your ad; as well as sitelink extensions, to include more related keywords.
- **Use negative keywords.** These are the keywords you don't want Google to show your ad for. Monitor the search terms report regularly to maintain this list.





# PPC metrics

Now that you know how the basic mechanics of PPC, it's time to dive further into what makes them tick—the key metrics used to measure the success of a campaign. We're going to cover the core metrics but you can catch our [complete list of PPC metrics here!](#)



# Click-through rate

Click-through rate is the ratio of ad clicks to ad impressions. An impression occurs when your ad appears on the SERP, and a click occurs when the person viewing your ad clicks on it. Ergo, CTR is the percentage of people who see your ad who then click through to your ad's destination (whether that's to a landing page, app store, or lead form).

A click-through rate of 1% means that 1 out of every 100 people who saw your ad clicked on it.

$$\text{CTR} = \frac{\text{Clicks}}{\text{Impressions}} \times 100$$

number of people who clicked on the ad

number of people who saw the ad



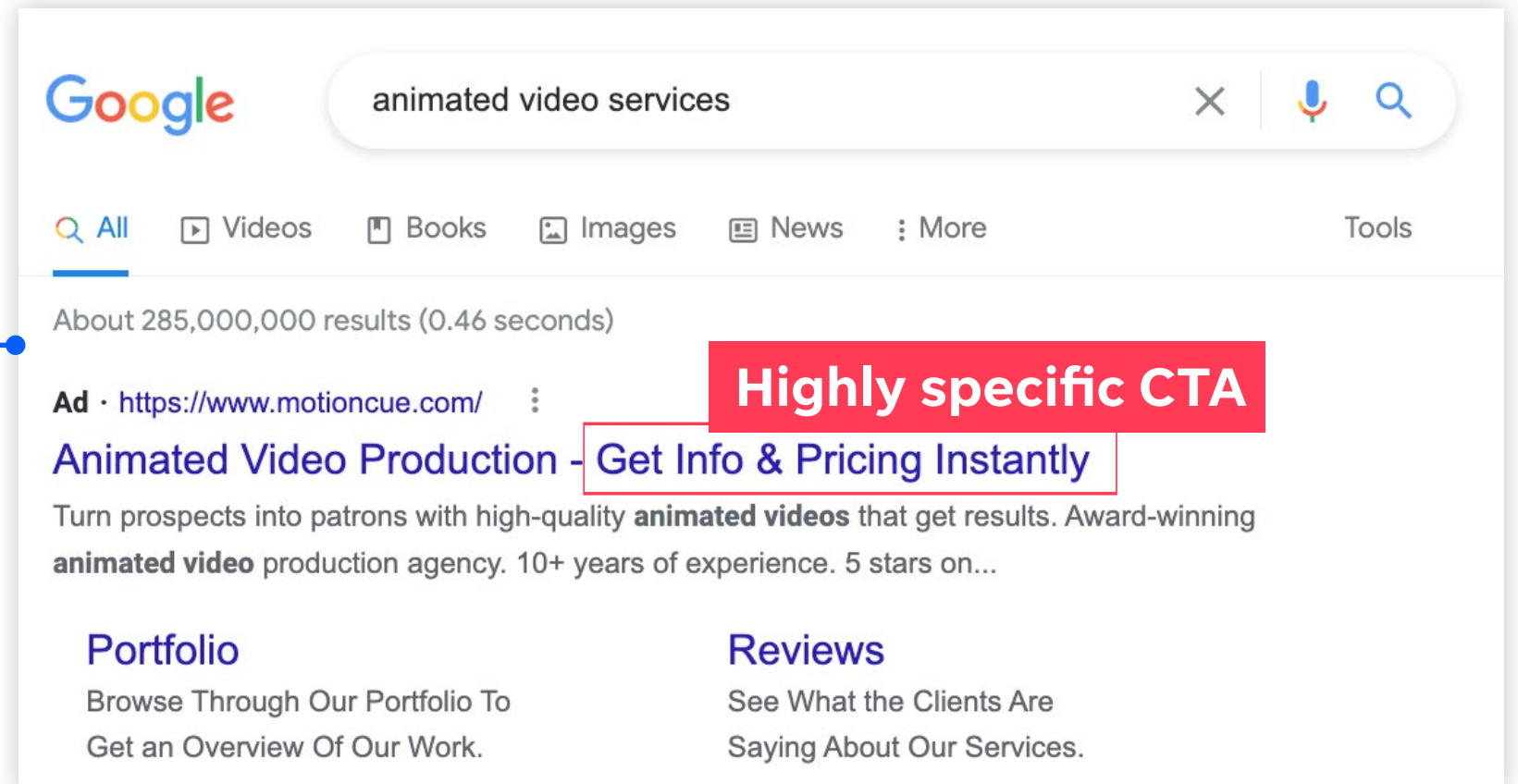
## WHY IT MATTERS

Click-through rate is important for three reasons. First, it indicates how appealing your ad copy and offer are to your audience. Second, your click-through rate impacts your expected click-through rate, which factors into your Quality Score (more on this shortly!), and higher Quality Score leads to lower costs. Third, the more people who click on your ads, the lower your cost per click (more on this shortly as well!).

## HOW TO IMPROVE IT

Here's [how to get healthy click-through rates with your ads](#):

- **Write compelling copy.** Find the right mix of features, benefits, differentiators, and value propositions that resonates with your target audience.
- **Include the keyword.** If this is a search ad, include the keyword in the headline and description, but don't overdo it.
- **Include a CTA.** Make sure you have a specific action in there, like call now, sign up today, or get a free consult.
- **Get your targeting right.** Make sure you adjust your copy to the audience you're targeting. This will require segmentation, testing, as well as filtering out irrelevant keywords.



 **Our guide to writing exceptional PPC ads will be super helpful here.**



## WHAT'S A GOOD CLICK-THROUGH RATE?

Average click-through rates vary by ad type, industry, and the ad's position. Here is what our latest search advertising benchmarks show, for example.

Keep in mind, however, that a high CTR is only beneficial if you're getting relevant clicks on your ads. If those clicks aren't resulting in leads or sales, you're wasting budget.



**Note you can view our always-updated search advertising benchmarks [here](#).**

## AVERAGE CLICK-THROUGH RATE IN SEARCH ADS

Business Category	Avg CTR 2022 ▼
Arts & Entertainment	16.29%
Sports & Recreation	11.69%
Travel	10.29%
Finance & Insurance	8.88%
Real Estate	8.85%
Education & Instruction	8.51%
Restaurants & Food	8.37%
Automotive -- For Sale	8.15%
Personal Services (Weddings, Cleaners, etc.)	7.96%
Animals & Pets	7.62%
Physicians & Surgeons	7.00%
Career & Employment	6.41%
Health & Fitness	6.39%
Beauty & Personal Care	6.16%
Automotive -- Repair, Service & Parts	5.75%
Industrial & Commercial	5.51%
Business Services	5.51%
Dentists & Dental Services	5.15%
Attorneys & Legal Services	4.71%
Home & Home Improvement	3.95%
Furniture	3.49%
Shopping, Collectibles & Gifts (General)	2.45%
Apparel / Fashion & Jewelry	2.24%



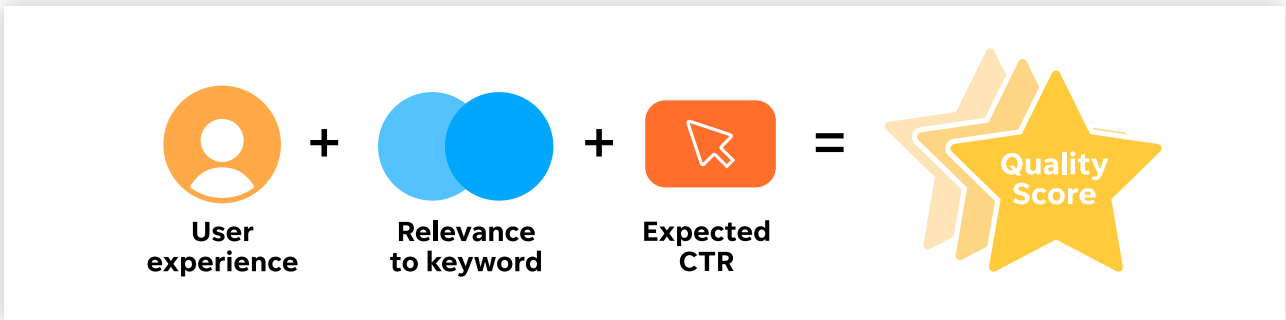
# Quality Score

As mentioned earlier, online ad platforms decide when/where to show ads based not just on the advertiser’s bid, but also on the quality and relevance of their ads. Each platform has its own way of measuring ad quality, and Google specifically has a number from 1-10 called [Quality Score](#).

When you create a search ad, you have to tell Google which keywords you’re targeting (bidding on) with that ad. Usually, each ad targets a set of related keywords, like *public speaking coach*, *virtual speech coach*, and *communication coach*.

For each keyword, you will get a Quality Score based on:

- How relevant the ad and landing page is to that keyword
- The quality and experience of the landing page
- Your expected click through rate (based on historical performance)



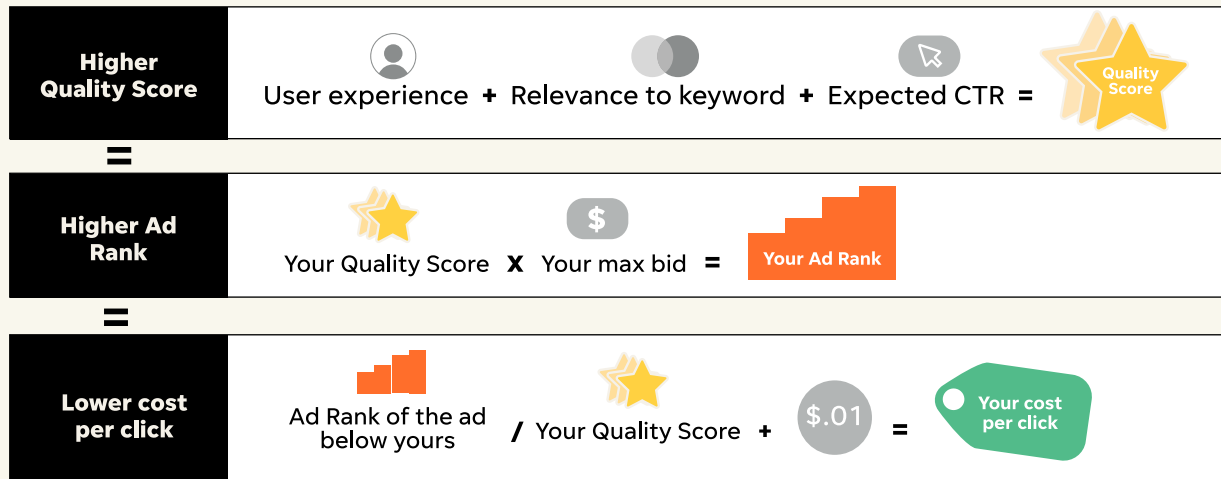
There is more that goes into Quality Score, since it is a proprietary formula, but those are the basics.

## ! WHY IT MATTERS

Quality Score is vital because it is used to determine your Ad Rank (which we’ll cover next!), which determines whether and where you appear on the SERP; and because both your Ad Rank and Quality Score are used to determine your cost per click (stay tuned for that too!).

**In particular, a higher Quality Score equates to higher Ad Rank and lower cost per click.**

This is [how the Google Ads auction works](#) and why the highest bid

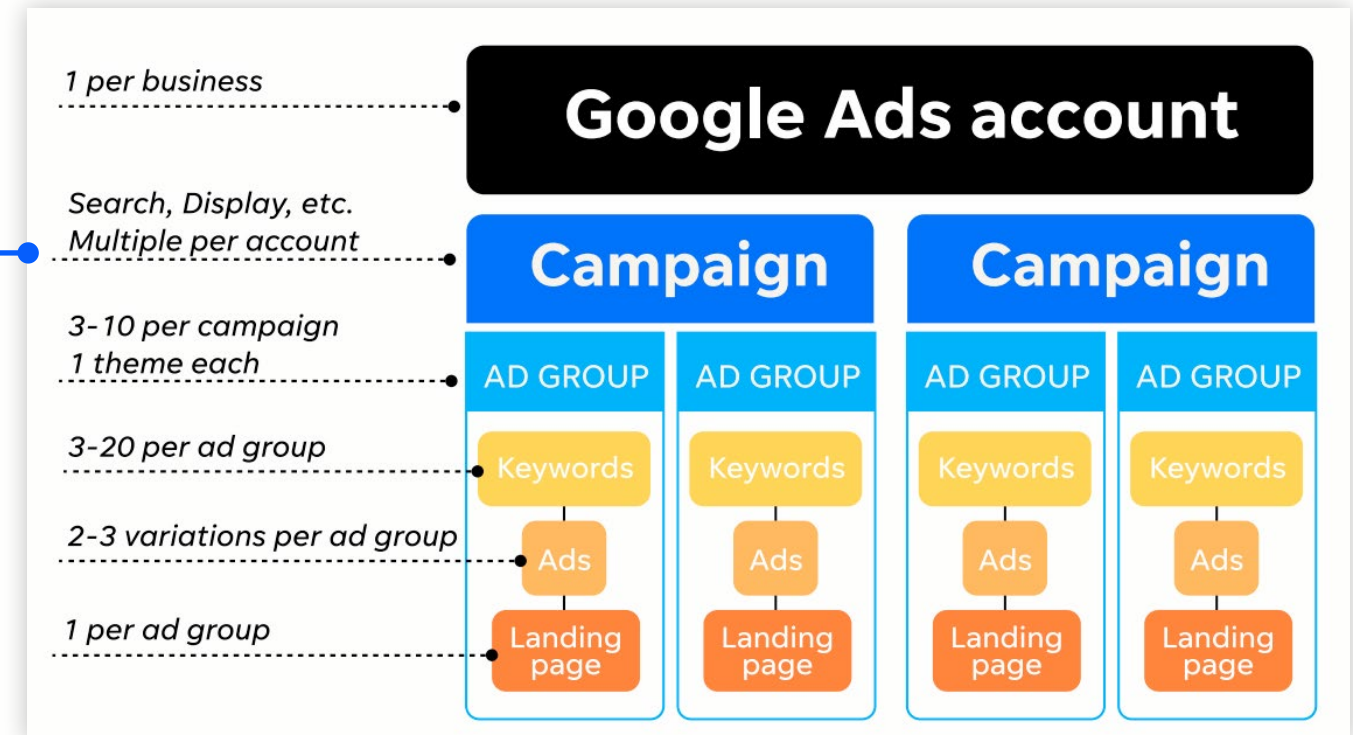


alone cannot win—and why Quality Score is so important.

## HOW TO IMPROVE IT

Here's how to achieve solid Quality Scores for your keywords.

- **Keyword research.** You should always be searching for new and highly relevant keywords to add to your campaigns, including long-tail opportunities that can contribute to the bulk of your overall traffic.
- **Account organization.** The ideal [Google Ads account structure](#) is to split your keywords into single-themed ad groups that can be more effectively tied to individual ad campaigns.
- **Improve your CTR.** The tips we provided earlier, plus the right account structure will improve your expected CTR and therefore your Quality Score.
- **Follow [landing page best practices](#).** Make sure these pages are specific to your ad groups and provide a cohesive, quality, useful, and easy experience for visitors.
- **Add [negative keywords](#).** Continuously research, identify, and exclude irrelevant search terms that are wasting your budget.



## WHAT'S A GOOD QUALITY SCORE?

A healthy Google Ads account has a mix of campaigns, and a Quality Score of 10 is just not realistic for some keyword types. Here's [what's considered a good Quality Score](#) for different types of keywords:

- Branded keywords: 8-10
- High commercial intent keywords: 7-9
- Low commercial intent keywords: 7
- Competitor keywords: 3+

# Ad Rank

[Ad Rank](#) is another metric specific to Google Ads. It is calculated by multiplying your maximum bid (the most you're willing to pay for a click on your ad) by your Quality Score.

Note that your maximum bid is determined by you if you're using a manual bidding strategy, or by Google in real time if you're using an [automated bidding strategy](#) (but you can set minimums and maximums and the type of bidding strategy based on your goal).


$$\text{Your Ad Rank} = \text{Your max bid} \times \text{Your Quality Score}$$

## HOW TO IMPROVE IT

Because Ad Rank is a function of Quality Score and maximum bid, you can either improve your Quality Score or your bid. But remember, higher bids alone won't get you anywhere.

Also note that there aren't any benchmarks or averages for Ad Rank since this metric is determined in real time for every auction.

## WHY IT MATTERS

When a user types a query into Google Search, Google calculates the Ad Rank for all eligible ads for that query. The ads with the highest Ad Rank scores are the ones that appear on the SERP, the highest score in position one.

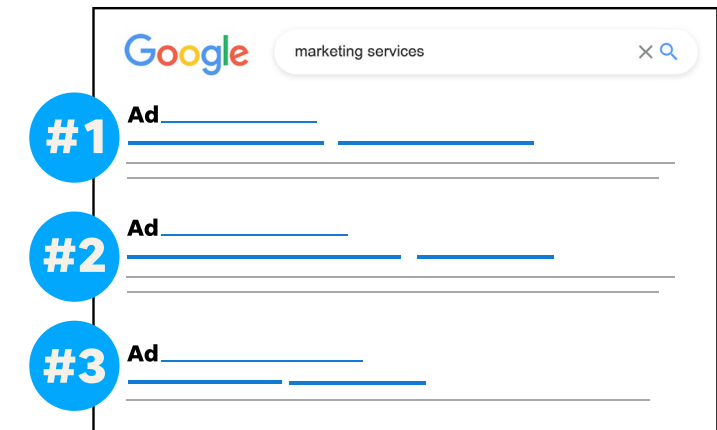
In other words, your Ad Rank determines where (and if) your ad will appear on the SERP.

Then, if someone clicks on your ad, Google will calculate your cost per click using the Ad Rank of the ad below yours and your Quality Score (we'll cover this next). This way, you pay the lowest possible CPC relative to what others are bidding.

The ads with the highest Ad Ranks are the ones that show.

**Quality Score X Max bid = Ad Rank**

	Sam	Mary	Jane	Pat
Quality Score	10	4	1	2
Max bid	\$2	\$4	\$8	\$6
Ad Rank	20	16	8	12
	#1	#2		#3



The diagram shows a Google search interface with the query "marketing services". Below the search bar, there are three ad slots, each labeled with a blue circle containing a number: #1, #2, and #3. Each slot contains the text "Ad" followed by a horizontal line representing the ad text. The slots are arranged vertically, with #1 at the top, #2 in the middle, and #3 at the bottom.






# Cost per click

[Cost per click](#) (CPC) is, of course, how much you pay for a click on your ad. But it has two definitions. You have **average CPC** for your campaigns and account, which is calculated after the fact by dividing total spend by total clicks; and then you have **actual CPC**, which is calculated in real time, for each individual click on your ad.

And since you now know how Quality Score and Ad Rank work, you can see how the formula for actual CPC works:

**Ad Rank of the ad below yours / Your Quality Score + \$.01 = Your cost per click**

	Sam	Mary	Pat
Quality Score	10	4	2
Ad Rank	20	16	12
Cost Per Click	16/10 + .01 = 	12/4 + .01 = 	8/2 + .01 = 

As you can see, your CPC is influenced by both your and your closest competitor’s Ad Rank, maximum bid, and Quality Score, and because of these formulas, it will never exceed your maximum bid, and will always be the lowest possible price to pay relative to your competitors’ bids.



## WHY IT MATTERS

Cost per click is important because your return on investment, whether you’re over- or underpaying for each action, will be determined by how much you are paying for clicks, and by what kind of quality you are getting for that investment.

## HOW TO IMPROVE IT

To [lower your cost per click in Google Ads](#), be sure to:

- **Raise your Quality Score.** Refer back to our tips!
- **Raise your CTR.** Ditto! This will help to raise your Quality Score which will lower your actual CPC in the auction. And more clicks means a bigger denominator in the average CPC formula (spend/clicks), which means lower average CPC.

And remember, it's not about getting the lowest CPC, it's about getting the highest value for the lowest possible CPC. Some keywords are going to be of higher value than others and will be worth the extra money.

## WHAT'S A GOOD COST PER CLICK?

Just like CTR, CPC depends on a number of factors such as ad platform, ad format, industry, and more. Here are the average CPCs for search ads as of writing this guide.

## AVERAGE COST PER CLICK IN SEARCH ADS

Business Category	Avg CPC 2022 (\$)
Attorneys & Legal Services	8.46
Dentists & Dental Services	6.69
Home & Home Improvement	5.74
Business Services	3.80
Industrial & Commercial	3.50
Career & Employment	3.43
Beauty & Personal Care	3.42
Finance & Insurance	3.41
Health & Fitness	3.21
Physicians & Surgeons	3.17
Personal Services (Weddings, Cleaners, etc.)	2.97
Automotive -- Repair, Service & Parts	2.71
Education & Instruction	2.68
Animals & Pets	2.48
Furniture	2.02
Automotive -- For Sale	1.89
Shopping, Collectibles & Gifts (General)	1.54
Real Estate	1.51
Restaurants & Food	1.49
Travel	1.39
Sports & Recreation	1.15
Apparel / Fashion & Jewelry	1.04
Arts & Entertainment	0.85



**Note you can view our always-updated search advertising benchmarks [here](#).**

# Conversion rate

Conversion rate is the percentage of clicks on your ad that actually convert—where a conversion is the completion of the ultimate desired action for that ad, such as a content download, newsletter signup, contact form fill, free trial, purchase, and so on.



## WHY IT MATTERS

Conversions are the main goal of your ads. As we mentioned earlier, getting lots of clicks and even achieving a low CPC doesn't matter if those clicks aren't converting. Conversions are the meaningful actions that help you to meet your business goals and convert more searchers into leads, customers, and loyal customers.

$$\text{CVR} = \frac{\text{Clicks}}{\text{Conversions}} \times 100$$

number of people who clicked on the ad

number of people who completed the desired action

## HOW TO IMPROVE IT

Conversion rate optimization is a practice in its own right, but here are some basic strategies:

- **Target [commercial intent keywords](#).** These are the keywords that represent intent to buy and/or research to buy. They will be your core keywords with phrases like “cheap,” “best,” “buy,” or “reviews.”
- **Target [long-tail keywords](#).** These are longer, more specific queries. This way you can cater your landing page and ad to particular niches.
- **Use landing pages.** Don’t send users who click on all of your ads to your homepage where they have to figure out what to do. Use landing pages specific to each ad and offer, that have just that one call to action.
- **Optimize your landing pages for conversion.** This warrants its own guide, but luckily [we’ve got one](#). In short, include clear copy, a clean layout, real testimonials, and make it easy for the user to complete the action.

## KEYWORD INTENT

problem aware

### Informational

KNOW: Get specific answers

**how, why, what, tutorial**

*how to fix a flat bike tire*

solution aware

### Commercial

PREP: Investigate to do

**best, review, compare, sites, product/  
service name**

*best inner tubes for round bikes*

### Transactional

DO: Complete an action

**buy, cheap, for sale, online, download,  
sign up, register, quote**

*buy tire tubes online*

brand aware

### Navigational

GO: Go to a specific site

**any site name**

*bikesports.com*





## WHAT'S A GOOD CONVERSION RATE?

You know the drill by now! Conversion rates especially vary by industry because typical conversion actions for each industry are so different. For example, a common conversion action for physicians is to call and/or book an appointment, which is a low friction activity, especially since you can always cancel your appointment. But for furniture, the action is usually buying the furniture. So we typically see much lower conversion rates for the latter.



Note you can view our always-updated search advertising benchmarks [here](#).

## AVERAGE CONVERSION RATE IN SEARCH ADS

Business Category	Avg CVR 2022 ▼
Physicians & Surgeons	13.94%
Automotive – Repair, Service & Parts	13.65%
Dentists & Dental Services	11.73%
Home & Home Improvement	10.73%
Animals & Pets	9.43%
Personal Services (Weddings, Cleaners, etc.)	9.10%
Health & Fitness	8.49%
Industrial & Commercial	8.41%
Beauty & Personal Care	7.88%
Attorneys & Legal Services	7.56%
Education & Instruction	6.39%
Finance & Insurance	5.56%
Restaurants & Food	5.50%
Automotive – For Sale	5.47%
Sports & Recreation	4.86%
Career & Employment	4.59%
Business Services	4.37%
Travel	3.77%
Shopping, Collectibles & Gifts (General)	3.37%
Arts & Entertainment	3.34%
Real Estate	3.07%
Furniture	2.21%
Apparel / Fashion & Jewelry	1.20%

# Cost per action

Cost per action (CPA)—also known to as cost per acquisition, cost per lead (CPL), or cost per conversion—measures how much your business pays for each conversion.

It is calculated by dividing the total cost of a campaign by the total number of conversions, and once again, a conversion can mean anything: a purchase, form fill, call, download, etc.

$$\begin{array}{c} \text{cost per action} \\ \downarrow \\ \text{CPA} \end{array} = \frac{\begin{array}{c} \text{total campaign spend} \\ \downarrow \\ \text{spend} \end{array}}{\begin{array}{c} \uparrow \\ \text{number of people who} \\ \text{completed the desired action} \\ \text{conversions} \end{array}}$$



## WHY IT MATTERS

If anything matters more than conversions, it's how much you're paying for those conversions, of course. Your return on investment depends on your CPA!



## WHAT'S A GOOD COST PER ACTION?

Like the other metrics what constitutes a “good” cost per action varies widely by industry. For example, it’s over \$70 for Furniture, Career/Employment, and Legal services while for Auto Repair and Animals/Pets it’s less than \$20. It all comes down to the conversion action as well as the value of the conversion.



Note you can view our always-updated search advertising benchmarks [here](#).

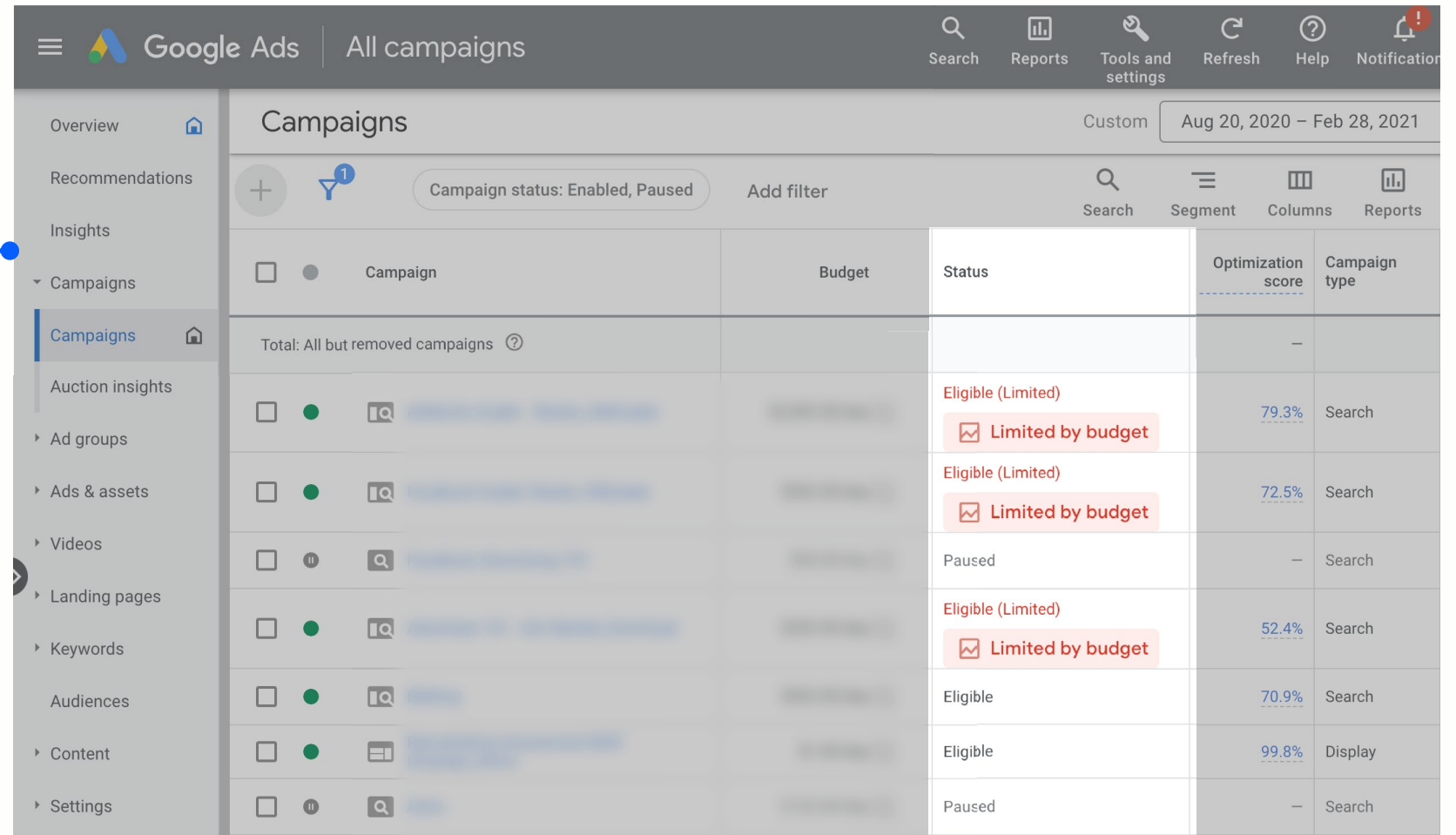
## AVERAGE COST PER LEAD IN SEARCHADS

Business Category	Avg CPL 2022 (\$) ▼
Attorneys & Legal Services	111.86
Furniture	91.47
Business Services	87.04
Apparel / Fashion & Jewelry	86.41
Career & Employment	74.56
Finance & Insurance	61.38
Dentists & Dental Services	57.02
Home & Home Improvement	53.50
Real Estate	49.25
Shopping, Collectibles & Gifts (General)	45.85
Beauty & Personal Care	43.39
Education & Instruction	41.88
Industrial & Commercial	41.60
Health & Fitness	37.79
Travel	36.78
Automotive -- For Sale	34.53
Personal Services (Weddings, Cleaners, etc.)	32.66
Restaurants & Food	27.18
Animals & Pets	26.25
Arts & Entertainment	25.46
Sports & Recreation	23.57
Physicians & Surgeons	22.74
Automotive -- Repair, Service & Parts	19.85

## HOW TO IMPROVE IT

If you're looking to bring down your cost per lead, you'll need to increase conversion volume and/or lower your cost per click (using our tips above). But there are other ways to keep your CPA in check:

- **Check your “limited by budget” (LBB) campaigns.** For high value LBB campaigns, you can increase budget or lower your bids. Or, you can do this for low value LBB campaigns as a way to save money there so you can allocate more to your high value campaigns.
- **Make bid adjustments.** If you're using Manual or Enhanced CPC bidding, you can make bid adjustments based on device, demographic, audience, network, time of day, and more. If you're using an automated strategy, you may want to adjust your minimums, maximums, or targets.
- **Clean up your keywords.** Allocate more budget toward your keywords with low CPLs, and/or pause low-performing keywords. Of course, maintaining negative keywords is important too.



Campaign	Budget	Status	Optimization score	Campaign type
Total: All but removed campaigns ?				
<input type="checkbox"/> ● IQ [blurred]	[blurred]	Eligible (Limited) Limited by budget	79.3%	Search
<input type="checkbox"/> ● IQ [blurred]	[blurred]	Eligible (Limited) Limited by budget	72.5%	Search
<input type="checkbox"/> II [blurred]	[blurred]	Paused	—	Search
<input type="checkbox"/> ● IQ [blurred]	[blurred]	Eligible (Limited) Limited by budget	52.4%	Search
<input type="checkbox"/> ● IQ [blurred]	[blurred]	Eligible	70.9%	Search
<input type="checkbox"/> ● [blurred]	[blurred]	Eligible	99.8%	Display
<input type="checkbox"/> II [blurred]	[blurred]	Paused	—	Search

You can find more details about these strategies in our post on [how to lower your Google Ads CPL](#).



# Get started with PPC

To wrap up, here is the key takeaway you need to know about PPC: Ad platforms reward relevant, intelligently targeted ads with lower costs per click, so the higher the quality of your ads, the higher your ROI. And this guide has provided the knowledge and tips for you to do just that! Let's recap:

- **Research** and select the right keywords, including negatives.
- **Organize** those keywords into thematic ad groups.
- **Write** great ads that are relevant to the keyword and catered to your target audience.
- **Connect** those ads to relevant, conversion-optimized landing pages.
- **Monitor** and manage your campaigns and keywords regularly.

**Now what are you waiting for? Get started on your first Google Ads campaign and put it all into practice!**





# Your business growth is our goal

WordStream by LocaliQ is your source for data and insights that make sense of digital marketing. And when you need more help to meet your goals, the LocaliQ platform can empower you to find, convert and keep new customers so your business grows and thrives. Click below to schedule a free digital marketing assessment.

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