Google Ads for Independent Insurance Firms

By Vizala Digital Ads – Last Updated 3/2020
Falls Church, Virginia
info@vizala.com

Table of Contents

Introduction [back to top]

While most people have been aware of Google Ads (formerly Adwords) for years, they are not aware of the rapid growth this channel has seen in just the last few years. This is the same growth that has turned Google into one of 3 most valuable companies in the world. [14] [15] Most people are also not aware of new capabilities that Google has added around targeting affluent users, and users who are currently in the process of making a buying decision. With Google Search, Youtube, and Google's Display Network becoming increasingly prominent, independent insurance firms who ignore these channels are missing a huge opportunity. Google Ads provides an enormous array of options for advertisers that can be overwhelming.   This whitepaper attempts to cut-thru the extraneous details and layout a strategy that insurance firms can use to grow their businesses with Google Ads. Some of the key themes include….

- Ads are exclusively shown to "In-Market" audiences. This includes users whose online behavior (searches and sites visited) indicates that they are currently looking for a insurance.
- Other targeting options are layered on top including location, age/income demographics, and retargeting
- Tracking and various controls are used to continuously optimize campaigns, allocate spend, and hit budget targets

These tactics along with other optimizations outlined in this whitepaper can help firm's incorporate Google Ads as a cost effective channel for generating leads and new business.

life insurance   ✕ | 🎤   🔍

🔍 All   📰 News   🖼 Images   📖 Books   ▶ Videos   ⋮ More   Settings   Tools

About 1,420,000,000 results (1.04 seconds)

www.nerdwallet.com › blog › life-insurance   ⋮

Life Insurance - Free Online Quotes 2021 - NerdWallet

What is **life insurance**? A **life insurance** policy is a contract with an insurance company. In
exchange for regular premiums you pay over time, **life insurance** pays ...

Search Ads

1) The Growth of Search advertising [back to top]

Here are a few important statistics to keep in mind when talking about Google Search ads….

1) Consumers are increasingly using Google to make purchasing decisions and select local service providers…

- 71 percent of consumers begin their journey to find new products/services with an internet search engine. [1]

- 74% of consumers say that they will use an internet search engine for consideration and purchasing decisions (research, comparison, transaction) [1]

- 89% of consumers use Google/Bing to find information on products, services, or businesses prior to making purchase decisions [2]
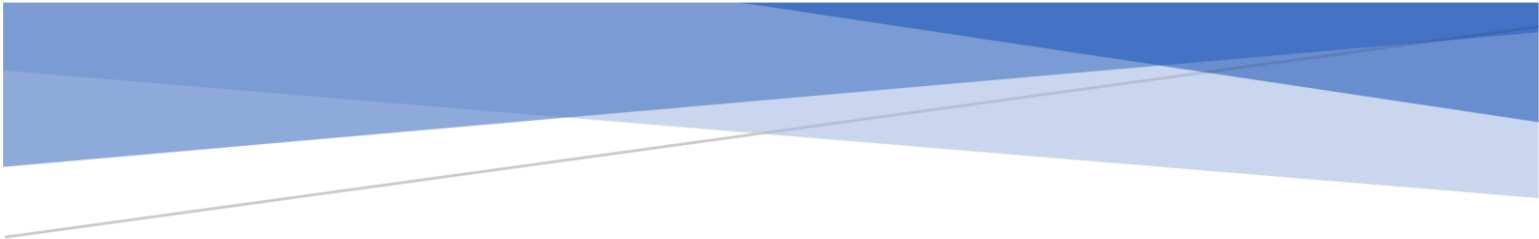
2) Google has become especially important for finding/selecting local service providers…

- 97% of consumers used the internet to find a local business [3]

- 54% of consumers looked for a local business online at least once a month [3]

- 60% of American adults use smartphones and tablets to search for local product and service information. [4]

3) Google's paid ads have become especially important in recent years…

- From 2013 to 2018, Google Paid Clicks saw an overall increase of 579%. Here you can see the annual growth rates. [5]

	2013	2014	2015	2016	2017	2018
Growth in Paid Clicks	25%	20%	22%	34%	46%	62%

- Clicks on paid search listings beat out organic clicks by nearly a 2:1 margin for keywords with high commercial intent in the US. In other words, 64.6% of people click on Google Ads when they are looking to buy an item online [6]

- Paid search visitors are 50% more likely to purchase something than organic visitors. [7]

- Over the last two years, the total share of organic clicks on page one of our e-commerce SERPs has dropped 25% on desktop and 55% on mobile. [8]

- 89% of the traffic generated by search ads is not replaced by organic clicks when ads are paused [9]

- For financial services, the contribution to business (includes leads, opportunities, and revenue) from Adwords was 34% [10]

2) Advantages of Search Ads [back to top]

When compared to other channels, search ads have a few distinct advantages. These include….

1) Proactive users
Unlike email marketing and other types of advertising, with paid search you are reaching users when they proactively showing interest in in your product/service.

2) Commercial Intent/In-Market
Some search terms have a high level of commercial intent. This means that the searcher is not just looking for information on a topic, but instead appears to be in the process of making a purchase decision. As an advertiser, you can focus your spending on these search terms.

3) Targeting Options/Controls
Google Ads has the most fine-grained options for precise targeting, controlling/allocating spend, and evaluating performance, of any advertising platform.

4) Start generating leads right now
By comparison, SEO requires a long time commitment with unpredictable results.

3) Affluent Targeting

Google segments its users into the following income brackets....

Top 10%
11-20%
21-30%
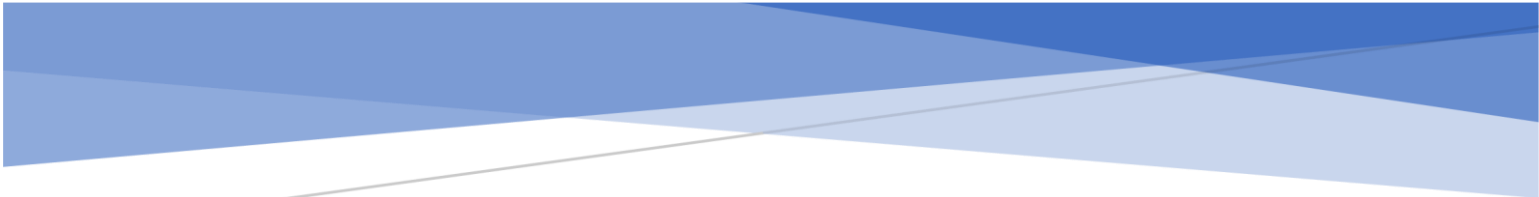31-40%
41-50%
Lower 50%
Unknown

A recommended setting for insurance is to have higher bids and spend more on higher income brackets. This will ensure that the majority of the spend is focused on driving high income visitors to the website.

Google provides the following information on how they determine household income and other demographic information for users....

> "When people are signed in from their Google Account, we may use demographics derived from their settings or activity on Google properties, depending on their account status. Consumers can edit their demographic information by visiting Ads Settings. In addition, some sites might provide us with demographic information that people share on certain websites, such as social networking sites.
>
> For people who aren't signed in to their Google Account, we sometimes infer their demographic information based on their activity from Google properties or the Display Network. For example, when people browse YouTube or sites on the Display Network, Google may store an identifier in their web browser, using a "cookie." That browser may be associated with certain demographic categories, based on sites that were visited.
>
> Mobile app demographics: This targeting feature uses an advertising identifier linked to a customer's mobile device to remember which apps the person has used. We might associate the identifier with a demographic category based on web browsing and app activities on a mobile device." [16]

So for example, if a user has been doing searches, visiting websites, and watching Youtube videos that have to do with luxury goods and/or financial services targeted at wealthy individuals, they are more likely to be classified as High Income by Google.

4) Location & Household Income Targeting [back to top]

The following table is an example of how location targeting can be used in Google Ads to maximize ROI for an independent insurance firm. In most cases, it makes sense for the firm to limit their ads to within 30-50 miles of their office, and for keyword bids to be higher for searchers who are closer to the office. Additionally, you will also want to have higher bids in zip codes with a lot of high income residents. In the last column "Example Keyword Bid," both location and IRS data has been used to adjust each keyword bid up or down. Likewise, every keyword that an agency bids on should have its bid adjusted based on the zip code.

*Tax Return data is provided by IRS.gov [11]

Zip Code	City	Miles from Office	Total # of Tax Returns	% of returns in $100K-$200K bracket	% of returns in $200k and up bracket	Example Keyword Bid
22041	Falls Church, VA	0.0	13,390	14%	6%	$4.51
22044	Falls Church, VA	0.9	6,340	15%	10%	$4.97
22311	Alexandria, VA	1.7	10,190	12%	5%	$4.07
22203	Arlington, VA	2.0	13,680	21%	10%	$5.18
22205	Arlington, VA	2.2	8,590	24%	25%	$7.22
22312	Alexandria, VA	2.4	16,090	15%	5%	$4.24
22204	Arlington, VA	2.5	27,870	16%	5%	$4.21
22042	Falls Church, VA	2.8	17,270	18%	7%	$4.58
22304	Alexandria, VA	2.9	26,260	17%	6%	$4.39
22206	Arlington, VA	3.1	12,300	27%	7%	$5.09
22302	Alexandria, VA	3.1	9,550	23%	13%	$5.55
22046	Falls Church, VA	3.2	8,210	24%	20%	$6.49
22213	Arlington, VA	3.2	1,720	28%	25%	$7.32
22201	Arlington, VA	3.6	22,950	23%	12%	$5.40
22003	Annandale, VA	3.6	27,830	19%	9%	$4.80
22043	Falls Church, VA	4.2	12,160	22%	13%	$5.37
22207	Arlington, VA	4.3	15,330	21%	32%	$7.63
22211	Fort Myer, VA	4.4	510	10%	0%	$3.07

5) In-Market Keywords [back to top]

"In-Market" keywords have a high level of commercial intent. The search term indicates that the user is actively looking for a service provider. On the other hand, "Research" keywords are a more general inquiry into a topic. For Research keywords, it is either difficult to discern the user's intent, or it's clear that the user is only interested in learning about a topic. To maximize ROI, its best for firm's to focus the bulk of their spend on In-Market search terms. Here are examples of In-Market vs Research keywords....

Research	In-Market
types of life insurance	life insurance agency
Is life insurance taxable?	life insurance policy quotes

dave ramsey life insurance	life insurance policy cost
nerdwallet life insurance	500k life insurance

Types of In-Market Keywords

Vizala has already identified 3,453 in-market keywords that get at least 100 searches per month according to Google's Keyword Planner. [12] In this exhaustive list, we've segmented keywords into different categories including….

Local: Searches where the user indicates that they are looking for a nearby service provider. Examples include..

Keyword	Average Monthly Searches
life insurance near me	9,900
life insurance companies near me	1,300
local life insurance agents	700
Chicago life insurance	160
Life insurance agency in Chicago	140
Chicago life insurance companies	130

Search: The user is searching for service providers, or searching for information on a particular service provider.

Keyword	Average Monthly Searches
life insurance policy search	480
find life insurance policy	320
choosing a life insurance agent	310

Cost/Fees: The user indicates that they are looking for cost/fee related information on service providers.

Keyword	Average Monthly Searches
life insurance quote online	4,400
life insurance cost	3,600
average life insurance cost	2,400
life insurance policy quotes	1,600

Ratings: The user is looking for rankings, ratings, or reviews of service providers.

Keyword	Average Monthly Searches
best life insurance companies	14,800
best life insurance policy	8,000
compare life insurance policies	800

Niche or Interest Group: The user is describing some attribute about themselves which effects their options.

Keyword	Average Monthly Searches
senior life insurance	18,100
family life insurance	2,900
life insurance for diabetics	1,300
life insurance for military	1,300
Life insurance for smokers	550
life insurance for business owners	250

Competitive: The user is searching for competitive offerings.

Keyword	Average Monthly Searches
life insurance prudential	33,100
newyork life insurance	33,100
state farm life insurance	14,800
Primerica life insurance	12,100

6) High Volume vs Long-Tail Keywords [back to top]

For high volume terms like "life insurance," the user's intent is less certain and there is more competition. This means you can usually get a better ROI by bidding more aggressively on long-tail terms that include 3-5 words. This table pulls data from Google's Keyword Planner. [12] You can see that the highest volume keyword has more competition and a higher than average minimum bid. At the same time, the other keywords in the table have less competition, and the user's intent is more specific and clear. With this in mind, the strategy should be to bid more aggressively on long tail phrases and less aggressively on high volume phrases.

Keyword	Average Monthly Searches	Competition Level	Top of Page Bid Estimate
life insurance	201,000	High	$22
life insurance quote	33,1000	High	$26
independent life insurance agent	390	High	$10
independent life insurance agent near me	220	High	$12
average monthly life insurance cost	260	Medium	$6
million dollar life insurance cost	170	Medium	$9
life insurance coverage amount	90	Medium	$7
flexible premium life insurance	110	Medium	$8

Long Tail Searches & Match Types

The table below shows the distribution of searches on Google, based on the # of words per query. You can see that more than 40% of queries include 4 or more words.

# of words per search query [13]

# of Words	Distribution
1	17%
2	21%
3	20%
4	16%
5	10%
6	6%
7	4%
8	3%
9	2%
10+	1%

With so many long tail searches, it is impossible to anticipate every variation that user's might enter in advance. If you want your ad to show up for these phrases, you will have to take advantage of Google's matching options. This includes different options for approximate matching which will allow your ads to show for searches that are very similar to hand picked phrases. For example, bidding on "life insurance near me" causes you to show up for the following variations....

- best life insurance agent near me
- find a life insurance firm near me
- independent life insurance near me
- life insurance agency near me
- licensed life insurance agent near me

7) Negative Keywords [back to top]

With the previously mentioned matching options, your ads will sometimes show for inappropriate phrases. In order to minimize this, you need to add negative keywords which will prevent your ad from showing when the phrase includes one of the keywords you select. An example of a negative keyword would be "career" and listed below are examples of phrases that would be blocked by this keyword…

- life insurance career
- life insurance careers
- health insurance career
- health insurance careers
- insurance career path

- insurance agent career
- insurance agent careers
- insurance company careers
- insurance career outlook

Vizala has identified 949 negative keywords that will ensure that advertisers do not appear for inappropriate phrases. Some of the categories of negative keywords include job/career related phrases, college/education, and information/reference.

8) Remarketing for Search [back to top]

Remarketing shows ads to people who've visited your website. After people leave your website, remarketing helps you reconnect with them by showing relevant ads across their different devices. In this example, the bid for all keywords is increased 100% when the user has previously visited your website. The logic behind this increase is that the users have already expressed interest in your firm, and are more likely to be in the market for your services…

Keyword	Bid for all searchers	Bid for searchers who previously visited your website
life insurance agent	$8	$12
supplemental life insurance	$8	$12
life insurance for a family	$8	$12
best life insurance for seniors	$8	$12
life insurance near me	$8	$12

In a previous section, we talked about how the bulk of the spending should be focused on in-market keywords as opposed to research keywords. One exception where you can bid on research keywords is for users who are also included in your remarketing audience. In this example, you are only bidding on research keywords when the user has already visited your site.

Research Keywords	All Users	Retargeting Bid
types of life insurance	No bid	$8
Is life insurance taxable?	No bid	$8
dave ramsey life insurance	No bid	$8
nerdwallet life insurance	No bid	$8

9) In-Market Audiences for Search [back to top]

Google has created their own "In-Market Audiences" to target users who are actively searching for and comparing products. Instead of using the current search term, these audiences use search history and sites/pages visited to add users to an audience. Some of the most relevant in-market audiences for insurance firms include the following….

-Auto Insurance
-Health Insurance
-Home Insurance
-Life Insurance
-Travel Insurance

Just like with retargeting audiences, when a user is included in an in-market audience, its another signal that they are currently in the market for insurance.   In the example below, a 50% bid adjustment is applied for users who are in an in-market audience.

Keyword	Bid for all searchers	Bid for searchers in an in-market audience
life insurance agency	$8	$12
best life insurance for seniors	$8	$12

life insurance for diabetics	$8	$12
life insurance plans	$9	$13.50
life insurance companies near me	$8	$12

10) Other Targeting Best Practices [back to top]

Here are some more key targeting options that insurance agencies should use for their search campaigns…

- **Google Search Only, No Partner Sites:** The search partner network includes thousands of sites in many different verticals and Google does not provide the ability to choose the sites where your ads will appear. Google also does not provide visibility into which sites are sending you traffic. Because of this lack of control and visibility, to start with it is best to limit the ads to appearing on Google.com search.

- **Bids are lower on mobile devices (unless calls are the goal):** Web forms are more difficult to complete on mobile devices and generally have a lower conversion rate.

- **If calls are the goal, the ads should only run during office hours**

11) Text Ad Best Practices [back to top]

The topic of creating compelling ads is outside the scope of this whitepaper. However, here are some key points to keep in mind….

- **Create multiple text ads and let them compete on click-thru-rate:** When your ad rotation settings are set to "Optimize," Google will rotate the ads evenly at first. Over time, the ad that generates the best click-thru-rate will be shown more frequently.

- **The ad closely reflects the landing page copy:** If the ad misleads the user in any way, and the landing page is not what they expect, you may see a poor conversion rate and ROI.

- **Use fact based and responsible ad copy:** Ad copy that is misleading or overly boastful/opinionated can lead to issues with regulatory agencies and Google Ad policies. It is best to stick to copy that is fact based and clearly lays out the value proposition.

- **Use Location Extensions:** Location Extensions cause your ad to stand out and let users know that you are a local business. In addition to the business address and map, these extensions can also list a phone number, a click-to-call button, and hours of operation. Here are a few examples….

Insurance agents near me

Q All   Maps   News   Shopping   Images   More   Settings   Tools

About 995,000,000 results (0.93 seconds)

Ad · https://www.geico.com/ ▾

Local Offices in Your Area - For All Your Insurance Needs

Your GEICO **Insurance Agent** is Here to Help You Save on Car **Insurance** and More! Contact a **Local** GEICO **Insurance Agent** Today! **Local** Knowledge and Experience. Multiple Products. **Insurance** coverage: Auto, Homeowners, Motorcycle, Renters, Boat.
📍 4617 Duke St, Alexandria, VA - (703) 236-1366 - Hours & services may vary

Ad · https://www.insurance4dmv.com/statefarm/insurance ▾

Ty Nguyen - State Farm® - Call Today For Your Quote

Your Time Is Precious, So Give Ty Nguyen A Call To Save Time & Money. Find An **Agent** Near You. Good Neighbor Service. Protect What Matters Most. Coverage Right For You. Switch & Save. Fast, Friendly & Local. Your Hometown **Agent**. **Insurance** coverage: Auto, Home.
📍 5621 Columbia Pike, Falls Church, VA - Hours & services may vary

- **Linking your Google Business listing to your ads as a location extension will also cause your ads to appear on Google Maps.**
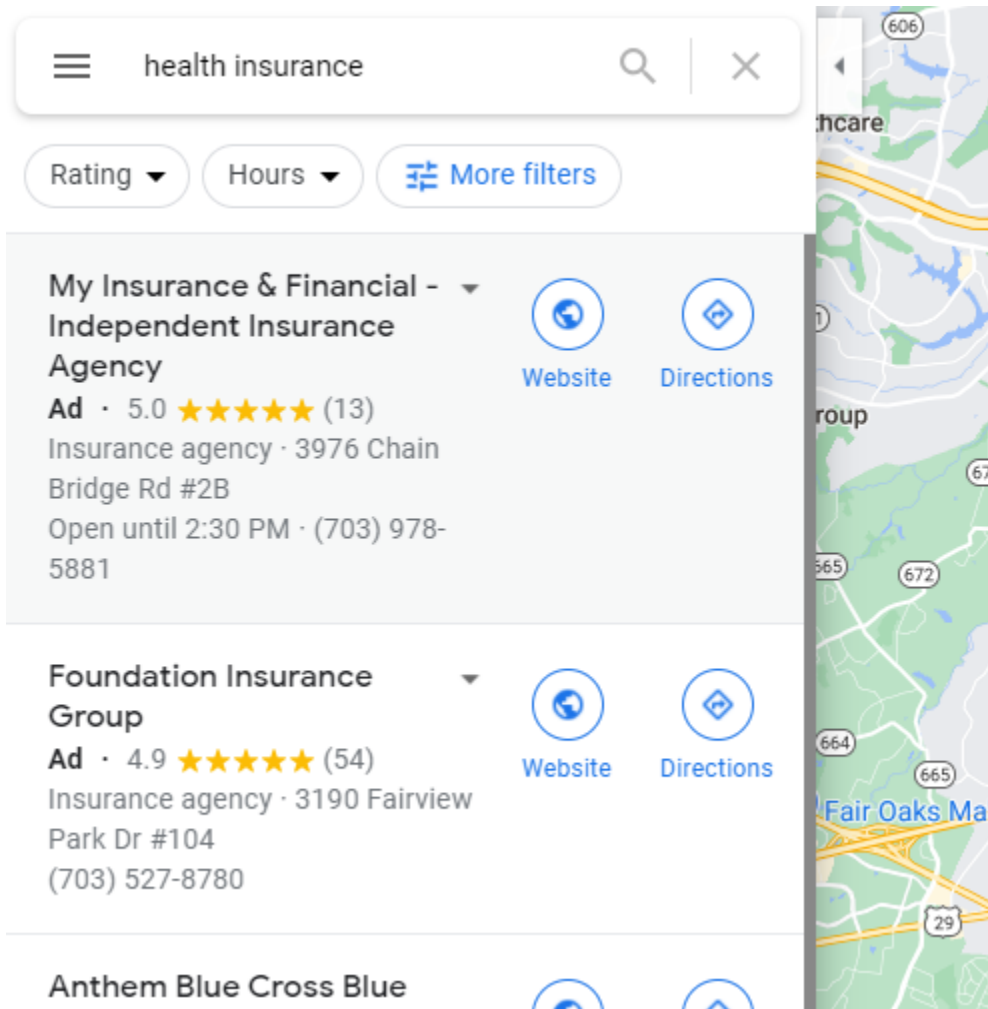
- **Use Sitelink Extensions:** Sitelink extensions take people to specific pages on your site that provide more detail on your practice. Here are a few examples….

Ad · www.mutualofomaha.com/ ▼ (888) 515-7496

Mutual of Omaha® Senior Life | Whole Life Insurance Benefits

Guaranteed Acceptance for Ages 45-85, Rates as Low as $8.80/mo. Customizable Coverages. Guaranteed for Ages 45-85. Whole **Life** Ins Solutions. Trusted Co. Since 1926. Burial Expense Coverage. No Exam **Life** Ins Options. Final Expense Coverages.

Whole Life Policy Quote · How Much Do I Need? · Why Mutual of Omaha®?

📍 1262 Lawrence St NE, Washington, DC - Hours & services may vary

Ad · termlife.ecoverage.com/life-insurance/term ▼

No Exam Life Insurance Options | $250k Plan from $15 Per Month

Protect your Family's Future. $250K **Life Insurance** from $15/Mo! No Exam Options Available. Save up to 70% on **Life Insurance** in Minutes. Apply Now. 100% Free Quote. Discounts Available. Top Providers. New Plans Available.

No Medical Exam · Get Your Free Quote Today · Affordable Life Insurance

Ad · www.globelifeinsurance.com/ ▼

Globe Life Senior Insurance - $50,000 For Final Expenses

Finally, **Life Insurance** You Can Afford. No Medical Exam-Simple Application. No Waiting. No Phone Required.

Final Expense Coverage · Free Quote · Children's Life Insurance · Buy Direct Online

Ad · www.northwesternmutual.com/life-insurance ▼

Whole Life Insurance Policies - Northwestern Mutual® Insurance

See How **Whole Life Insurance** Can Help Protect Your Family & Even Grow In Value Over Time. Talk To An Advisor About How A **Whole Life Insurance** Policy Can Fit Into Your...

Whole Life Insurance

We Can Help You Protect Tomorrow While Making The Most Of Today.

Life Insurance Calculator

How Much Life Insurance Is Right For You? Get A Quick Estimate Now.

What Is Perm Life?

Learn More About How Permanent Life Insurance Works & How We Can Help.

Get Matched To An Advisor

Find The Right Financial Advisor For You. Take The First Step Today.

- **Use Callout Extensions:** Callout Extensions are bullet points that highlight points of emphasis about your service. Like other ad extensions, they help your ad to stand out. Here are a few examples....

Ad · www.healthiq.com/ ▾

Income over $74,943? - $1M Life Insurance From $25/Mo

"Health IQ got me a rate that was 70% less than the previous quote I'd gotten!" - CPL.
"Communication throughout the process was fantastic!" - Kent. Fastest Growing Company.
Savings For Healthy. 3 Ways to Save. Volume Savings. Compare Top Carriers. ◄━━━
Get Term Life Quote · $1M+ Life Coverage · Term Life Discounts · Free Life Insurance Quote
$250,000 Coverage - from $10.00/mo - 15 Year Term* · More ▾

Ad · life.selectquote.com/life-insurance/weshop-yousave ▾

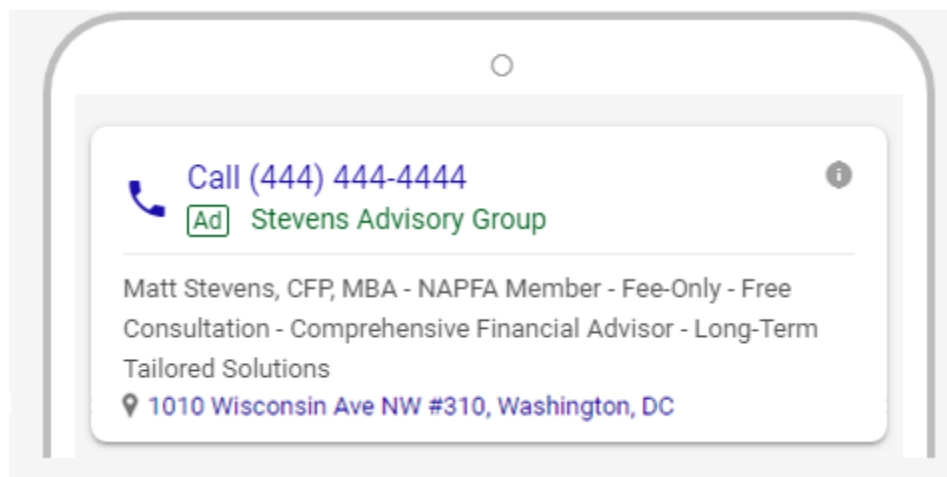## Compare Term Life Policies - Request A Free Quote From Us

Over 1.2 Million Families Trust SelectQuote® To Find Their **Life Insurance** Policy. Shop Now. For
over 35 Years SelectQuote® Has Helped People Find The Right **Insurance** For Their Needs. Top-
Rated Insurers. Trusted Partners. Fast & Easy Quotes. Give Your Family Security. ◄━━━

12) Call-Only Ads [back to top]

Call-only ads appear on search results pages on smart phones. Clicking on the ad will initiate a call
into the the firm's office.

Call (444) 444-4444
Ad Stevens Advisory Group

Matt Stevens, CFP, MBA - NAPFA Member - Fee-Only - Free
Consultation - Comprehensive Financial Advisor - Long-Term
Tailored Solutions
📍 1010 Wisconsin Ave NW #310, Washington, DC

There's less friction with call-only ads since potential clients don't have to fill out a form, and the agent does not have to get back in contact with them. The cost per lead is also better since you are paying for phone calls, as opposed to paying for website visits where form completion rates are often 10% or less.

When the calls come in, the agent's caller-id will work as it normally does. For each call, Google will track the start/end time, duration, whether the call was missed or received, caller area code, and the cost of the call. All of this data can be segmented to see which regions, keywords, and ads are generating calls. The quality of calls from different segments can also be gauged by using the call duration data. This will allow for continuous improvement as segments that generate no calls, or poor quality calls are reduced or eliminated, while segments that generate quality calls receive more investment.

(example of a call tracking report)

Start time [?]	End time [?]	Status [?]	Duration (seconds) [?]	Caller area code [?]
Jul 19, 2015, 11:51:35 PM	Jul 19, 2015, 11:56:45 PM	Received	310	443
Jul 19, 2015, 11:51:30 PM	Jul 19, 2015, 11:56:31 PM	Received	301	917
Jul 19, 2015, 11:50:52 PM	Jul 19, 2015, 11:51:27 PM	Received	35	443
Jul 19, 2015, 11:50:46 PM	Jul 19, 2015, 11:55:47 PM	Received	301	804
Jul 19, 2015, 11:50:19 PM	Jul 19, 2015, 11:50:48 PM	Received	29	917
Jul 19, 2015, 11:49:54 PM	Jul 19, 2015, 11:50:23 PM	Received	29	334
Jul 19, 2015, 11:49:17 PM	Jul 19, 2015, 11:54:21 PM	Received	304	830
Jul 19, 2015, 11:48:16 PM	Jul 19, 2015, 11:54:55 PM	Received	399	706

Since the firm is paying for phone calls, a few key things to keep in mind include…

- The ads should only run during office hours or when people are available to pickup
- Make sure a 24/7 answering service is in place. Missed calls should be responded to promptly
- No automated menus

Google Display Network

1) About the Google Display Network [back to top]

The Google Display Network (GDN) includes Youtube, Gmail, and 2 million other sites that reach 90% of internet users. Here are examples of some of the other sites that agencies can access thru the display network….

barrons.com
bloomberg.com
cnbc.com
forbes.com
investing.com
investopedia.com
kiplinger.com
money.usnews.com
nerdwallet.com
sapling.com
smartasset.com
thebalance.com
thestreet.com
wsj.com

The formats for ads on GDN include image (banner ads), video, and text ads. Text ads are easy to create and they are the same format that is used for Search ads. Image ads are also easy to setup since Google now provides a Responsive Ads tool which allows you to create images ads without a professional graphic designer. Video production is obviously a bit more involved, but it is not necessary to reach a large audience.

2) Google Display Network Targeting [back to top]

Optimal targeting on GDN would include many of the same targeting configurations that have already been covered for search ads. This would include Geotargeting, Demographic targeting (income, age), and bids lowered on mobile devices.

In the section for search ads, we discussed retargeting and in-market audiences. For search ads, these audiences were only used to increase keyword bids. For display ads, these audiences are much
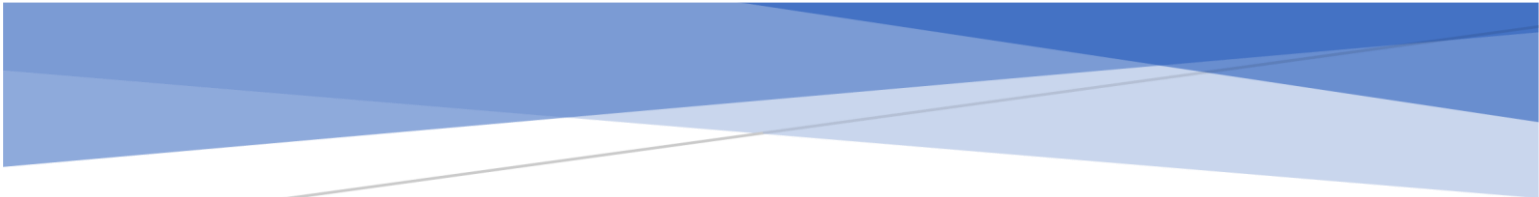
more significant since inclusion in the audience is the primary factor determining if the ad is triggered.

3) Custom Intent Audiences [back to top]

For the off-the-shelf In-Market audiences that Google provides, they place users into an audience based on their search history and browsing history. Google now also allows you to create "custom intent" audiences. This is basically a do-It-yourself In-Market audience. You can enter the keywords and websites that will cause visitors to be included in your audience. You can see in the sample list below that our selections would indicate that the user is currently looking for insurance…

4) Ad Placements [back to top]

Since the geotargeting, demographic targeting, and audience targeting are all very specific, its okay to be more liberal when choosing the content where the ads appear. With more than 2 million sites in the network, Google provides categories of sites that advertisers can choose from. The following categories will keep the ads from appearing on low-brow or inappropriate content.

Business & Industrial
Computers & Electronics
Finance
Internet & Telecom
Law & Government
News
Real Estate

Measurement & Ongoing Optimization

1) Useful Reports [back to top]

For most campaigns, the main goal is generating leads at the best possible cost per lead. For other campaigns, the main goal is branding/awareness, in which case metrics like impressions, clicks, and cost per thousand impression (CPM) become more important. Here are some of the key metrics that are used to measure your Google campaigns.....

Impressions: How often your ad is shown. An impression is counted each time your ad is shown on a search result page or other site on the Google Network.
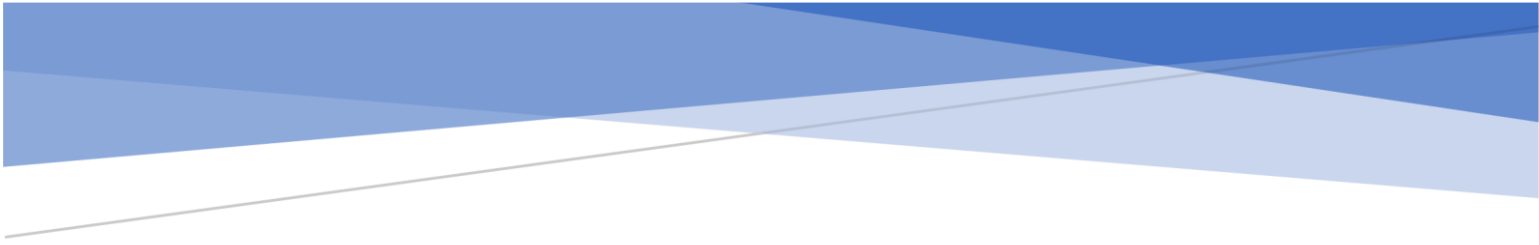
Clicks: When someone clicks your ad, like on the blue headline of a text ad, AdWords counts that as a click.

Clickthrough rate (CTR): A ratio showing how often people who see your ad end up clicking it. This metric can help you gauge how enticing your ad is and how closely it matches your keywords and other targeting settings.

Cost: Total dollar value spent

Cost-per-thousand impressions (CPM): A way to bid where you pay per one thousand views (impressions) on the Google Display Network.

Cost-per-click (CPC): Cost-per-click (CPC) bidding means that you pay for each click on your ads. For CPC bidding campaigns, you set a maximum cost-per-click bid - or simply "max. CPC" - that's the highest amount that you're willing to pay for a click on your ad

Conversions: The number of conversions generated by your ad. Conversions include form completions, phone calls, or purchases

Cost per Conversion: The average amount you've been charged for a conversion from your ad. It is calculated by dividing the total cost of conversions by the total number of conversions.

To optimize the account, the above listed metrics are evaluated across a large number of dimensions. When looking at any dimension, the goal is to decrease or eliminate spend on areas that are not working, and increase spend on areas that are outperforming. The dimensions used to optimize and evaluate the account include….

Campaigns
Text Ad Variations
Landing Pages
Zip Codes
Keywords
Audiences
Demographic Groups
Time of Day
Device Types

2) Conversion Tracking [back to top]

Out of the box, Google will provide tracking for clicks/costs/impressions and other metrics on where the ads are showing and how they are performing. However, to truly measure the effectiveness of the ads and make adjustments, you will need to have conversion tracking in place. The best solution for conversion tracking is to add the Google Tag Manager (GTM) snippet to all pages of your website. This will allow you to add/update tags from Google Ads, Google Analytics, and other 3rd party services, without needing to make any changes to your website. So instead of contacting your developer each time you want to add/update tags from various services, you simply add the GTM tag once and then use a web UI to add/update all tags on the site.

Once GTM is in place, you can use the GTM UI to implement Google Ads Conversion Tracking. Conversion tracking includes form completions, phone calls thru a forwarding number on your website, and click-to-call buttons on the ads themselves in mobile search results. Google tracking is cross-device, so if an ad-click on your phone is followed by a form completion on your laptop, the conversion is tracked back to the ad you clicked on.

3) Spend/Volume Forecasts [back to top]

After entering your locations, keywords, and bids, Google can provide spend/volume forecasts at various bid levels. Testing out different spending/volume scenarios in advance can help you decide on a monthly budget. Once you have conversion data, you can use these forecasts to gauge how many leads you will be generating at different spend/bid levels.

4) Monthly Budget [back to top]

For each campaign, after reviewing different scenarios with the spend/volume forecasting tool, you can set a daily budget amount. 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.
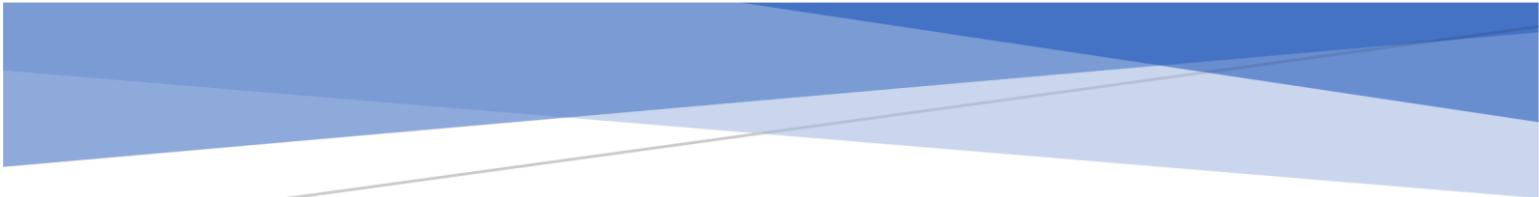
About the Author [back to top]

Gregg Kellett has more than 18 years of experience in digital marketing and 16+ years of experience with Google Ads and Google Analytics.   This includes 10 years working for Bloomberg and 4 years for MarketResearch.com where he managed multimillion-dollar advertising budgets for both companies. He holds current Google certifications for Google Ads Search, Google Ads Display, and Google Analytics. In addition to spending the bulk of his career in the investing/finance space, as a hobby he is a Warren Buffett disciple who has been making his own stock picks and following the markets for more than decade.

Gregg Kellett
Founder/CEO, Vizala LLC
vizala.com/Services/Digital-Advertising
www.linkedin.com/in/greggkellett

Sources/References [back to top]
[1] https://www.catalystdigital.com/wp-content/uploads/WhySearchPlusSocialEqualsSuccess-Catalyst.pdf
[2] http://fleishmanhillard.com/2012/01/31/2012-digital-influence-index-shows-internet-as-leading-influence-in-consumer-purchasing-choices/

[3] https://www.brightlocal.com/learn/local-consumer-review-survey/

[4] https://www.searchenginejournal.com/seo-101-local-seo-stats-need-consider-strategy/141086/

[5] https://abc.xyz/investor

[6] https://www.wordstream.com/blog/ws/2012/07/17/google-advertising

[7] https://unbounce.com/ppc/seo-vs-ppc-infographic/

[8] https://moz.com/blog/google-organic-clicks-shifting-to-paid

[9] http://googleresearch.blogspot.com/2011/07/studies-show-search-ads-drive-89.html

[10] https://www.bizible.com/blog/announcing-the-2016-adwords-industry-benchmarks-report

[11] https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-statistics-zip-code-data-soi

[12] https://adwords.google.com/home/resources/using-google-adwords-keyword-planner.html

[13] https://moz.com/blog/state-of-searcher-behavior-revealed

[14] https://www.investopedia.com/articles/investing/011615/google-ads-vs-facebook-ads.asp

[15] https://en.wikipedia.org/wiki/List_of_public_corporations_by_market_capitalization

[16] https://support.google.com/google-ads/answer/2580383?hl=en