

Chapter 7

Understanding Google Ads Metrics for SME

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ABSTRACT

Despite its popularity, search engine advertising is a particularly complex and demanding technique. One of the main challenges for Google Ads managers is to adequately monitor performance. Indeed, the literature identifies a plethora of metrics to measure the success of a search engine ads campaign. One research question arises: What are the metrics adopted by small and medium-sized companies to measure the performance of a Google Ads campaign? This chapter includes a mixed-method study with digital marketing professionals experienced in managing Google Ads campaigns for Portuguese SMEs. Interviews helped highlight the main difficulties faced by SEM's Google Ads' managers and to identify the performance measures they mostly control. Then, a survey enabled to analyse the association between performance measures and campaigns' perceived success. The insights produced by this chapter are particularly interesting for researchers, teachers, business managers, and digital marketing professionals, as it presents important clues on measuring the effectiveness of Google Ads campaigns.

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INTRODUCTION

Search Engine Advertising (SEA) is currently one essential tool for companies that wish to gain online visibility (Jafarzadeh et al., 2019; Winter & Alpar, 2020) and to attract more visitors to their websites. Being also known as search engine marketing or programmatic advertising (Saura, 2020), it comprises strategies to place adverts in search engines and banners or displays in partner websites. SEA consists of developing and managing ads to be featured in the top of search engine's results pages that are generated after the user entered a certain phrase in the dialogue box.

Although it is an instrument with great popularity among companies of almost any sector, the fact that the ads are shown based on relevance and not based on the highest bids (Geddes, 2014), enables smaller companies to compete with large companies using ad quality instead of budget (Geddes, 2014). Obviously, this creates a great opportunity for small and medium-sized enterprises (SMEs), to reach potential customers in a relevant way (Geddes, 2014; Gong et al., 2014; Klapdor et al., 2014; Lynch, 2015).

To use this tool effectively, companies should carefully follow users' conversion process and evaluate the return on your investment (Alby & Funk, 2011; Geddes, 2014; Google, 2021b; Jansen et al., 2009; Sculley et al., 2009). Monitoring the SEA campaign takes advantage of digital marketing measurability (Alby & Funk, 2011; Geddes, 2014; Google, 2021a; Jansen et al., 2009; Sculley et al., 2009) and enables real-time adaptation and improvement of campaign performance. However, due to their limited resources, SMEs may not be able to deal with the tool's complexity (Geddes, 2014; Jafarzadeh et al., 2019) and usually have insufficient resources to track all available metrics to measure their SEA efforts (Barry & Charleton, 2009; Jansen & Clarke, 2017).

Despite the plethora of metrics that the literature suggests measuring the success of a SEA campaign, this chapter proposes the control of five main metrics, which are associated with different stages of user interaction with the ad, from the beginning of his research until reaching one or more conversion points. These metrics are: clickthrough rate, bounce rate, conversion rate, return rate, and return on investment. As this chapter demonstrates, this proposal was validated by a group of marketing professionals, and the relationship of controlling these performance metrics on perceived success of the SEA campaign was explored.

This chapter includes an empirical study using mixed-method approach comprising interviews and an online survey. By combining qualitative and quantitative techniques, this study enabled to fully tackle the research question. Participants were digital marketing professionals with experience in managing Google Ads campaigns for Portuguese SMEs.

The insights produced by this chapter are particularly interesting for academics investigating and teaching topics related to SEA. They are also valuable for business managers and digital marketing professionals, as the chapter presents essential clues on measuring the effectiveness of Google Ads campaigns.

BASICS OF GOOGLE ADS

Google is the most popular search engine in many countries around the world, including in Europe. Search engines have commonly one main source of income: advertising, in the form of sponsored links, that are featured in their results pages. For managing sponsored links, Google created on October 23, 2000 the Google Adwords platform, which was renamed and is nowadays called Google Ads. It allows advertisers to create, manage, and control their campaigns. According to Statista (2021), the revenue generated

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