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Google Ads Beginner's Guide

A practical, plain-English walkthrough of Google Ads for small businesses and freelancers: how to plan, set up, measure and improve your first campaigns without wasting budget.

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By Editorial team

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Information to check before relying on it

- Campaign types listed (Search, Performance Max, Demand Gen, Display, Video, Shopping, App): check the current Google Ads campaign type list and names.
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- Assets (formerly extensions) names such as sitelinks, callouts, structured snippets, call and location assets: check current naming and eligibility.
- Bid strategy names (Maximize clicks, Maximize conversions, Target CPA, Maximize conversion value, Target ROAS) and minimum data recommendations: check current help pages.

Google Ads can put your business in front of people at the exact moment they search for what you sell. It can also spend your money very quickly on clicks that never turn into customers. The difference between those two outcomes is rarely luck. It comes from a handful of decisions made before and just after launch: what you measure, which searches you pay for, what you say in the ad, where the click lands, and how you judge whether the numbers make sense for your margins.

This guide walks through those decisions in order. It is written for people who are new to Google Ads or who have tried it once and felt lost in the interface.

Who this guide is for and what you will be able to do

This guide is for small-business owners, freelancers, consultants and in-house marketers who want to run Google Ads themselves, or who want to understand enough to supervise an agency properly. You do not need any previous paid advertising experience. Basic comfort with a spreadsheet helps.

By the end you will be able to:

- Decide whether Google Ads is a sensible channel for your business right now.
- Work out a break-even cost per acquisition (CPA) and break-even return on ad spend (ROAS) from your own margins.
- Set up conversion tracking before spending money.
- Build a tightly themed Search campaign with sensible keywords, negative keywords and ads.
- Choose a starting budget and bid strategy based on arithmetic rather than guesswork.
- Read your results in the first 30 days and make changes in the right order.
- Avoid the most common beginner mistakes that drain budgets.

A note on accuracy: Google changes the Ads interface, campaign types, feature names and policies regularly. Where something is likely to change, this guide says "at the time of writing". Always check the current Google Ads Help Centre before relying on a specific setting name.

How Google Ads works in plain English

The auction behind every ad

When someone searches on Google, an auction runs in a fraction of a second to decide which ads appear and in what order. You do not simply win by bidding the most. Google combines your bid with its estimate of how relevant and useful your ad and landing page are, plus other factors such as the context of the search and the expected impact of your assets (the extra links, phone numbers and details that can appear with an ad). This combination is often described as Ad Rank.

The practical lesson is that relevance is a lever you control. A clear ad that matches the search and a landing page that delivers on the ad's promise can help you compete without having the highest bid.

What you actually pay for

On Search campaigns you usually pay per click (CPC, cost per click). You pay nothing when your ad is shown and not clicked. The actual amount you pay for a click is often lower than your maximum bid, because it depends on what is needed to hold your position in that auction.

Other campaign types may be optimised or charged differently (for example by views or impressions). For a beginner focused on leads or sales, Search is the easiest place to start because the intent is visible in the search term itself.

Campaigns, ad groups, keywords and ads

Google Ads accounts have a simple hierarchy:

Level	What it controls	Example
Account	Billing, users, account-wide settings, conversion actions	"Smith Plumbing Ltd"
Campaign	Budget, bidding, locations, languages, networks, schedule	"Search: Emergency plumbing, Leeds"
Ad group	A tight theme of keywords and the ads that serve for them	"Burst pipe repair"
Keywords	The searches you want to be eligible for	"burst pipe repair", "emergency plumber near me"
Ads and assets	What people see	Headlines, descriptions, sitelinks, call asset

The single most useful habit is keeping each ad group narrow. If an ad group contains "boiler repair", "bathroom installation" and "drain unblocking", no single ad can speak directly to all three searches, and your landing page cannot either.

Campaign types you will see

At the time of writing, Google Ads offers several campaign types, including:

Campaign type	Where ads appear	Best suited for	Beginner suitability

Search	Google search results and search partners (optional)	Capturing people actively looking for a service or product	Best starting point for most
Performance Max	Across Google's channels from one campaign, heavily automated	Advertisers with solid conversion tracking and enough conversion data	Better after you have reliable tracking and history
Demand Gen	Visual placements such as YouTube, Discover and Gmail	Creating interest with image and video ads	Intermediate
Display	Websites and apps in Google's display network	Awareness and remarketing	Easy to waste money without clear goals
Video	YouTube	Awareness and consideration with video	Needs video assets
Shopping	Product listings with image and price	Online retailers with a product feed	Good for ecommerce, needs Merchant Center
App	Multiple Google channels	App installs and in-app actions	Only if you have an app

Names, features and the exact line-up change over time, so check the current list when you create a campaign. This guide focuses on Search because it gives beginners the most control and the clearest link between what people want and what you pay for.

Is Google Ads right for your business right now?

A quick decision framework

Before opening an account, answer these five questions honestly.

1. **Do people search for what you sell?** If your product is new and nobody knows to look for it, Search will have little volume. Awareness channels (including social ads) may come first.
2. **Can a click turn into value quickly?** A booked call, a quote request, a purchase or a phone call. If the path to revenue takes months and many touchpoints, you need to track earlier steps and be patient.
3. **Do your margins allow for paid acquisition?** You will calculate this below. If your break-even CPA is lower than the realistic cost of winning a customer, ads will lose money no matter how well you run them.
4. **Is your landing page ready?** A slow, confusing or mobile-unfriendly page wastes paid clicks. Fix the page first. Our website growth and conversion guide covers this in depth.
5. **Can you respond to leads fast?** If you generate enquiries but nobody calls back for two days, much of the value you paid for can disappear.

If you answered "no" to two or more, pause and fix those areas first. Google Ads amplifies what already works; it rarely rescues a weak offer.

Search ads versus SEO versus social ads

Factor	Google Search ads	SEO	Social ads (for example Meta)
Speed to first traffic	Fast once approved	Slow, often months	Fast once approved
Intent	High: people are searching	High: people are searching	Lower: you interrupt people browsing
Cost model	Pay per click	Time and content investment	Pay per impression or result
Stops when budget stops	Yes	No, but rankings can decline	Yes
Good for new product categories	Weak	Weak	Stronger

Most businesses benefit from using these together. Search ads can test which keywords convert before you invest months of SEO effort into them. The SEO, AEO and GEO guide and the Meta Ads and lead generation guide cover the other two channels.

Do the maths first: break-even CPA and ROAS

This is the section most beginners skip, and it is the one that decides whether your campaigns can ever be profitable. You need three numbers: your average revenue per customer (or per order), your gross margin, and your close rate from lead to customer.

Break-even CPA from margin

Your break-even CPA is the most you can spend to acquire one customer before you start losing money on that customer's first purchase.

Break-even CPA = average revenue per customer x gross margin

Worked example (illustrative numbers): A local plumbing business has an average job value of $800 and a gross margin of 40% after parts, labour and van costs.

- Gross profit per job = $800 x 0.40 = $320
- Break-even CPA = $320

If it costs more than $320 in ad spend to win one job, that job loses money on the first transaction. If customers typically return (for example an annual boiler service), you can justify a higher CPA based on lifetime value. Use the customer lifetime value calculator to estimate that, and the profit margin calculator if you are unsure of your margin.

Break-even cost per lead and maximum CPC

Most service businesses do not close every lead. Work backwards from your close rate.

Break-even cost per lead = break-even CPA x close rate

Continuing the example, if the plumber closes 25% of enquiries:

- Break-even cost per lead = $320 x 0.25 = $80

Now work back to clicks. If the landing page converts 5% of visitors into enquiries:

- Break-even CPC = break-even cost per lead x conversion rate = $80 x 0.05 = $4.00

So in this illustrative case, if clicks cost more than $4.00 on average and nothing else changes, the campaign cannot break even on first jobs. Notice that improving the conversion rate from 5% to 8% raises the break-even CPC to $80 x 0.08 = $6.40. Landing page improvements often matter as much as bidding.

Break-even ROAS for ecommerce

For online stores, ROAS (return on ad spend) is the usual measure:

ROAS = revenue from ads / ad spend

Break-even ROAS = 1 / gross margin (with margin as a decimal)

Worked example (illustrative numbers): A store sells products with a 35% gross margin.

- Break-even ROAS = 1 / 0.35 = 2.86 (roughly 286%)

If the store spends $500 and the ads generate $1,600 in revenue:

- ROAS = $1,600 / $500 = 3.2
- Gross profit = $1,600 x 0.35 = $560
- Profit after ad spend = $560 minus $500 = $60

A ROAS of 3.2 sounds healthy, yet it produced only $60 of profit before other overheads. That is why you should always compare ROAS with your break-even ROAS rather than with a generic target. The ROAS calculator and the advertising ROI calculator do this arithmetic for you.

> **Free tool: ROAS Calculator**
> Try it free in your browser, no sign-up needed.
> https://freetoolshelf.com/marketing-tools/roas-calculator/

Full funnel example: plumber's first month

Putting it together with illustrative numbers:

Step	Calculation	Result
Monthly ad spend	Chosen budget	$1,000
Average CPC	Assumed	$2.50
Clicks	$1,000 / $2.50	400
Landing page conversion rate	Assumed	5%
Leads	400 x 0.05	20
Cost per lead	$1,000 / 20	$50
Close rate	Assumed	25%
Customers	20 x 0.25	5
Cost per customer (CPA)	$1,000 / 5	$200
Revenue	5 x $800	$4,000
ROAS	$4,000 / $1,000	4.0
Gross profit	$4,000 x 0.40	$1,600
Profit after ad spend	$1,600 minus $1,000	$600

The CPA of $200 is below the $320 break-even, and the cost per lead of $50 is below the $80 break-even. This campaign would be worth scaling carefully. If your real numbers differ, the structure of the calculation stays the same. The customer acquisition cost calculator and lead conversion calculator help you run your own version.

Before you spend: preparation checklist

Use this checklist before launching your first campaign.

- ☐ Calculate break-even CPA, break-even cost per lead and (for ecommerce) break-even ROAS
- ☐ Decide the one primary conversion you will optimise for (lead form, call, purchase, booking)
- ☐ Check the landing page loads quickly and works well on a phone
- ☐ Make sure the landing page matches the service or product you will advertise
- ☐ Add a clear call to action and remove unnecessary form fields
- ☐ Set up a way to receive and respond to leads the same day

- [ ] Install the Google tag and conversion tracking, then test it
- [ ] Review privacy and cookie consent requirements for the countries you target
- [ ] Plan UTM parameters for any links you use outside Google Ads
- [ ] Write a starter list of keywords and negative keywords
- [ ] Set a monthly budget you can afford to spend while learning

Step-by-step: setting up your account

Step 1: Create the account in expert mode

When you create a Google Ads account, the setup flow may guide you into a simplified campaign experience designed for very small advertisers. At the time of writing, there is usually an option to switch to expert mode during setup. Expert mode gives you access to full campaign settings, keyword control and reporting. The exact wording changes, so look for a link that lets you create an account without a campaign or switch to the full experience.

Set your billing country, time zone and currency carefully. Time zone and currency generally cannot be changed later without creating a new account.

Step 2: Link Google Analytics and other accounts

If you use Google Analytics 4, link it to Google Ads. This lets you see what paid visitors do on your site and can allow you to import some conversions. If you sell products, you will also link Google Merchant Center for Shopping campaigns.

Step 3: Give access properly

If a freelancer or agency helps you, invite them as a user with the appropriate access level rather than sharing your Google login. Keep ownership of the account under your business. If you ever part ways, you keep the history and data.

Step-by-step: conversion tracking before you spend

Without conversion tracking, Google Ads can only optimise for clicks, and you can only judge success by gut feeling. Set tracking up first.

Decide what counts as a conversion

A conversion should be an action with real business value. Good primary conversions include:

- A submitted quote or contact form (counted once per visitor session)
- A call from the ad or website that lasts longer than a threshold you set
- A completed booking
- A completed purchase, with its value

Page views, time on site and button clicks that do not complete an action are weak signals. You can track them as secondary conversions for insight, but do not let the bidding system optimise towards them.

Install the Google tag

At the time of writing, the main options are:

1. **Add the Google tag directly** to every page of your site (often via a field in your website builder).
2. **Use Google Tag Manager**, which lets you manage tags without editing site code each time.
3. **Use a platform integration**, where your ecommerce platform or website builder connects to Google Ads for you.

Then create a conversion action in Google Ads (under the goals or conversions section) and follow the instructions to fire it on the correct event, typically a thank-you page load or a form submission event.

Consider enhanced conversions and consent

Google offers enhanced conversions, which at the time of writing use hashed first-party data (such as an email address submitted in a form) to improve measurement accuracy. If you target users in the European Economic Area or the UK, you also need to consider consent requirements. Google's Consent Mode lets tags adjust their behaviour based on the consent a visitor gives. Privacy rules differ by country and region (for example GDPR in the EU, UK GDPR, and various state laws in the US), so check the current requirements and, if in doubt, get advice for your situation.

Test before you trust

Submit a test form yourself, place a test call if you track calls, and check that the conversion appears in Google Ads (it can take a few hours to show). Many "bad campaigns" are simply broken tracking.

Tag your other links

For links you share outside Google Ads (emails, social posts, partner sites), add UTM parameters so Analytics can attribute that traffic correctly. Google Ads usually handles its own attribution through auto-tagging, so you typically do not need UTMs on Google Ads URLs if auto-tagging is on. Use the

UTM link builder to create consistent tags.

Free tool: UTM Link Builder

Try it free in your browser, no sign-up needed.

https://freetoolshelf.com/marketing-tools/utm-link-builder/

Keyword research that avoids waste

Start from customer intent, not from tools

Before using any keyword tool, list the ways your ideal customer would describe their problem. A plumber's list might include "burst pipe", "leaking boiler", "emergency plumber", "no hot water" and "blocked drain". Group them by service. Each group becomes a candidate ad group.

Then classify intent:

Intent type	Example search	Typical value
Urgent transactional	"emergency plumber near me"	Highest
Commercial research	"best boiler brand for small house"	Medium
Price research	"boiler replacement cost"	Medium, can convert
Informational	"how to bleed a radiator"	Low for ads, better for SEO content
Job seekers or DIY	"plumber apprenticeship", "plumbing tools"	Usually irrelevant

Beginners with small budgets should concentrate on the top two rows. Informational searches are often better served by helpful website content.

Use Keyword Planner for volume and cost ranges

Google's Keyword Planner (inside Google Ads, under tools) suggests related keywords and shows estimated search volume ranges and bid ranges. Treat these as rough guides. Actual CPCs depend on your location, competition, quality and time of day.

Understand match types

At the time of writing, Google Ads uses three keyword match types:

- **Broad match:** your ad can show for searches related to your keyword, including ones that do not contain your words. Google uses signals to interpret meaning. Broad match reaches the most searches and relies heavily on good conversion tracking and smart bidding.

- **Phrase match:** written in quotes, for example "burst pipe repair". Ads can show for searches that include the meaning of your phrase.
- **Exact match:** written in square brackets, for example [burst pipe repair]. Ads can show for searches with the same meaning or intent as the keyword.

Matching behaviour has loosened over the years, so even exact match can include close variants. A practical beginner approach is to start with phrase and exact match on your most important terms, watch the search terms report closely, and test broad match later once conversion tracking is reliable and you have steady conversion volume.

Build a negative keyword list from day one

Negative keywords stop your ads from showing for searches you do not want. Common starting negatives for many service businesses include: free, jobs, careers, salary, course, training, DIY, how to, and competitor brand names you do not want to target. Add location names you do not serve if they appear in search terms.

Review the search terms report weekly (at least) in the first month and add negatives. This one habit prevents a large share of wasted spend.

Writing ads that earn the click

Responsive search ads

At the time of writing, the standard Search ad format is the responsive search ad. You provide multiple headlines (up to 15, each up to 30 characters) and descriptions (up to 4, each up to 90 characters), and Google tests combinations. Check current limits when you build your ads.

A useful structure for your headlines:

1. **Keyword relevance:** "Burst Pipe Repair in Leeds"
2. **Speed or availability:** "Same-Day Callouts Available"
3. **Proof you can support:** "Gas Safe Registered Engineers" (only if true)
4. **Offer or price anchor:** "Free Quote Before Any Work"
5. **Call to action:** "Call Now for Fast Help"

You can pin a headline to a position if it must always appear (for example a legally required disclaimer), but pinning too much reduces testing flexibility.

Descriptions that answer objections

Use descriptions to answer the questions that stop people from contacting you: How quickly can you come? Do you charge a callout fee? Are you insured? What areas do you cover? Only state facts you can prove, and follow the advertising rules for your industry and country.

Assets (extensions)

Assets add extra information to your ad and can make it larger and more useful. At the time of writing, common assets include:

- **Sitelinks:** links to specific pages such as "Boiler Repairs" or "Pricing".
- **Callouts:** short phrases like "No Callout Fee" or "Fully Insured".
- **Structured snippets:** lists under a header such as "Services: Boilers, Radiators, Drains".
- **Call assets:** a phone number people can tap.
- **Location assets:** your address from a linked Google Business Profile.
- **Image assets:** images alongside your ad, where eligible.

Add every asset that is genuinely relevant. They cost nothing extra to add; you still pay per click.

Landing pages that match the ad

The landing page should repeat the promise of the ad in the headline, show the key reasons to choose you, and make the next step obvious. For lead generation, keep the form short. Each extra field can reduce completions, so ask only for what you need to follow up. Put your phone number in a tap-to-call link on mobile.

Campaign settings that matter

Networks

When creating a Search campaign, you may see options to include search partners and the Display Network. For a first campaign, many advertisers switch off the Display Network option within a Search campaign so that budget goes to search results only. Search partners can be tested later and reviewed separately in reporting.

Locations

Target only the areas you actually serve. Check the location option settings: at the time of writing you can choose between targeting people "in or regularly in" your locations and people who have shown interest in your locations. For local services, "presence" (people in or regularly in your area) is usually the safer choice. Check the exact wording in your account.

Languages and ad schedule

Language settings refer to the languages your customers understand, not the language of your ad. If you can only answer calls during business hours, consider an ad schedule, or at least review performance by hour and day after a few weeks.

Budget

At the time of writing, you set an average daily budget. Google may spend up to twice your daily budget on some days, but your monthly charges for a campaign are capped at roughly your average daily budget multiplied by 30.4 (the average number of days in a month). Check the current rules in Google's help pages.

Worked example (illustrative): A daily budget of $30 gives a maximum monthly charge of about $30 x 30.4 = $912. If you want to spend about $1,000 a month, set a daily budget of $1,000 / 30.4 = about $32.89.

Choosing a starting budget from your goal

Rather than picking a number that "feels right", calculate it.

Worked example (illustrative): You want 30 leads in the first month to learn from. You estimate a 4% landing page conversion rate and a $1.80 average CPC.

- Clicks needed = 30 / 0.04 = 750
- Budget needed = 750 x $1.80 = $1,350 per month
- Daily budget = $1,350 / 30.4 = about $44.41

If $1,350 is more than you can afford, narrow your targeting (fewer keywords, smaller area) rather than spreading a small budget across everything. A small budget spread thinly produces too little data to learn from in any single ad group.

Bid strategy

At the time of writing, common bid strategies include:

Strategy	What it does	When to use it
Manual CPC	You set maximum bids yourself	When you want full control and are learning
Maximize clicks	Gets as many clicks as possible within budget	Early data gathering, with a max CPC limit if available
Maximize conversions	Aims for the most conversions within budget	Once conversion tracking works
Target CPA	Aims for conversions at an average cost you set	Once you have steady conversion volume

Maximize conversion value	Aims for the most total value within budget	Ecommerce or leads with values
Target ROAS	Aims for a return on ad spend you set	Ecommerce with steady conversion value data

Smart bidding strategies use conversion data to adjust bids automatically. They generally work better with more conversion data, so many beginners start with Maximize conversions (or Maximize clicks with a sensible CPC cap while tracking is being validated) and move to Target CPA or Target ROAS after conversions are flowing consistently. Check Google's current recommendations for minimum data before setting targets.

When you do set a Target CPA, set it realistically based on what you are actually achieving, not your dream number. A target far below your current CPA can sharply restrict delivery.

Launch-day checklist

- ☐ Conversion actions tested and showing as recording
- ☐ Display Network option reviewed in the Search campaign settings
- ☐ Location targeting and location options checked
- ☐ Daily budget matches your calculated monthly budget
- ☐ Each ad group has a tight theme with matching ads
- ☐ At least one responsive search ad per ad group with varied headlines
- ☐ Sitelinks, callouts and call assets added where relevant
- ☐ Negative keyword list applied
- ☐ Landing page URLs load correctly on mobile and desktop
- ☐ Someone is ready to answer calls and reply to form enquiries

Your first 30 days: what to watch and when to change things

Days 1 to 3: check it works

Confirm ads are approved and serving, spend is happening, and clicks are arriving at the correct page. Check that conversions record. Do not judge performance yet.

Week 1: search terms and negatives

Open the search terms report and read every search that cost money. Add irrelevant searches as negatives. If good search terms appear that you have not targeted, consider adding them as keywords in the right ad group.

Weeks 2 to 4: read the funnel, not just the cost

Look at the metrics in funnel order:

1. **Impressions and impression share:** are you showing often enough? A low impression share due to budget means your budget is too small for the keywords you chose.
2. **Click-through rate (CTR):** is the ad relevant and compelling for the searches it shows on?
3. **CPC:** is it within your break-even CPC?
4. **Conversion rate:** is the landing page doing its job?
5. **Cost per conversion:** is it under break-even CPA or cost per lead?

Fix problems in that order. If CTR is poor, work on the ad and keyword relevance. If CTR is fine but conversion rate is poor, work on the landing page and offer. If both are fine but CPA is high, look at bids, match types and search terms.

How much data is enough?

Small numbers mislead. If an ad group has had 40 clicks and zero conversions, and your expected conversion rate is 5%, you would expect about 40 x 0.05 = 2 conversions. Zero is disappointing but not yet conclusive. At 200 clicks you would expect about 10, so zero at that point is a much stronger signal that something is wrong. Before pausing something, ask whether it has had a fair amount of traffic relative to your expected conversion rate.

Lead quality and follow-up

Leads that are never answered look identical in Google Ads to leads that became customers. Record which leads became customers, and if possible feed that information back (Google Ads supports importing offline conversions, at the time of writing). At minimum, track every enquiry in one place and record the outcome, so you can calculate your real close rate and CPA.

Response speed matters too. A lead from a paid click may be comparing several businesses at once. A system that sends an instant confirmation text or email, alerts your team and reminds them to call back can protect the value you paid for. Our lead capture and follow-up guide explains how to set this up.

Want this to run automatically?

A CRM with built-in automation, such as GoHighLevel, can capture leads, send follow-ups and reminders, and track your pipeline in one place. Everything in this guide can also be done manually or with other tools. Some links on our site are affiliate links.

Scaling what works

Scale in steps

When a campaign is consistently under your break-even CPA with healthy conversion volume, increase budget gradually (for example 15% to 20% at a time, with a week or so between changes) and watch whether CPA holds. Large sudden changes can disrupt smart bidding while it adjusts.

Worked example (illustrative): A campaign spends $1,000 a month with a $200 CPA. You raise the budget by 20% to $1,200. If CPA rises to $230, you are winning roughly 1,200 / 230 = 5.22 customers instead of 5. The extra $200 of spend brought in only about 0.22 extra customers, which is a marginal cost of around $200 / 0.22 = about $909 per additional customer. That is far above the $320 break-even, so the increase is not worthwhile even though the average CPA of $230 still looks acceptable. Always look at the marginal return, not only the average.

Expand carefully

Good expansion options, roughly in order:

1. Add closely related keywords that appeared in your search terms report.
2. Create new ad groups for other services with their own landing pages.
3. Expand to nearby locations you genuinely serve.
4. Test broad match on proven themes with smart bidding.
5. Test remarketing or other campaign types such as Performance Max once tracking and data are solid.

When to consider Performance Max

Performance Max uses Google's automation to run ads across multiple Google channels from one campaign. At the time of writing, it relies on your conversion goals, assets (text, images, videos) and optional audience signals. It can work well for advertisers with reliable conversion tracking and good creative assets, but it offers less direct control than Search and makes it harder to see exactly where spend goes. Many advertisers add it after they have a working Search campaign and clear conversion data. Check the current Performance Max reporting and controls before launching.

Common mistakes and how to avoid them

Launching without conversion tracking

Without tracking, you cannot know which keywords work, and smart bidding has nothing to learn from. Always install and test tracking first.

Accepting every automated recommendation

Google Ads shows recommendations and an optimisation score. Some suggestions are useful, while others mainly increase spend (for example raising budgets or broadening match types). Evaluate each recommendation against your break-even numbers. You can also review whether auto-applied recommendations are switched on in your account settings, and turn off any you do not want.

Mixing unrelated services in one ad group

Broad ad groups produce generic ads and generic landing pages. Keep themes tight.

Sending all traffic to the home page

Your home page speaks to everyone. A specific service page that repeats the ad's promise usually converts better.

Ignoring the search terms report

Keywords are not the same as the searches that trigger your ads. Read your search terms regularly and add negatives.

Changing too much, too soon

Making many changes every day makes it impossible to know what worked and disrupts smart bidding. Make one meaningful change at a time and give it enough data.

Judging by ROAS without knowing your margin

A ROAS of 3 is profitable for a business with a 50% margin (break-even ROAS of 2) and loss-making for a business with a 25% margin (break-even ROAS of 4). Always compare against your own break-even figure.

Slow lead response

Paying for a lead and then responding a day later wastes much of the investment. Set up alerts and a follow-up routine before launch.

Making claims you cannot support

Ads must follow Google's advertising policies and the consumer protection laws of the countries you target. Some industries (for example healthcare, financial services, gambling and legal services) have extra restrictions or certification requirements that vary by country. Check current policies before advertising in a regulated category.

Glossary

Ad group: A set of related keywords and ads within a campaign.

Ad Rank: Google's way of determining ad position, combining bid, expected ad quality and other factors.

Assets: Extra information added to ads, such as sitelinks, callouts and phone numbers. Previously called extensions.

Auto-tagging: A Google Ads setting that adds a click identifier to your URLs so Google Analytics can attribute visits.

Break-even CPA: The maximum cost to acquire a customer before losing money, calculated as revenue per customer multiplied by gross margin.

Break-even ROAS: The ROAS at which ad spend equals gross profit, calculated as 1 divided by gross margin.

Close rate: The percentage of leads that become paying customers.

Conversion: A valuable action you track, such as a form submission, call or purchase.

Conversion rate: Conversions divided by clicks (or interactions), shown as a percentage.

CPA (cost per acquisition): Ad spend divided by the number of conversions or customers, depending on how you define it.

CPC (cost per click): The amount you pay for a click on your ad.

CTR (click-through rate): Clicks divided by impressions.

Impression share: The percentage of impressions you received out of those you were estimated to be eligible for.

Keyword: A word or phrase you choose so your ads can show for related searches.

Match type: The setting that controls how closely a search must relate to your keyword (broad, phrase, exact).

Negative keyword: A word or phrase that prevents your ad from showing for searches containing it.

Performance Max: A goal-based, automated campaign type that runs across Google's channels.

Quality Score: A 1 to 10 diagnostic estimate of your ad quality relative to other advertisers, based on expected CTR, ad relevance and landing page experience.

ROAS (return on ad spend): Revenue from ads divided by ad spend.

Search terms report: A report showing the actual searches that triggered your ads.

Smart bidding: Automated bid strategies that use machine learning to optimise for conversions or conversion value.

UTM parameters: Tags added to URLs to identify the source, medium and campaign of traffic in analytics tools.

Next steps

1. Calculate your break-even CPA and break-even cost per lead using the customer acquisition cost calculator and lead conversion calculator.
2. Fix your landing page and install and test conversion tracking.
3. Build one tightly themed Search campaign around your highest-intent service, with a budget calculated from the leads you need.
4. Review search terms weekly and judge results against your break-even numbers.
5. Put a fast lead follow-up process in place, using the lead capture and follow-up guide.
6. Once Search is working, explore social ads with the Meta Ads and lead generation guide and build long-term organic visibility with the SEO, AEO and GEO guide.

Free tool: Customer Acquisition Cost Calculator

Try it free in your browser, no sign-up needed.

https://freetoolshelf.com/marketing-tools/customer-acquisition-cost-calculator/

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