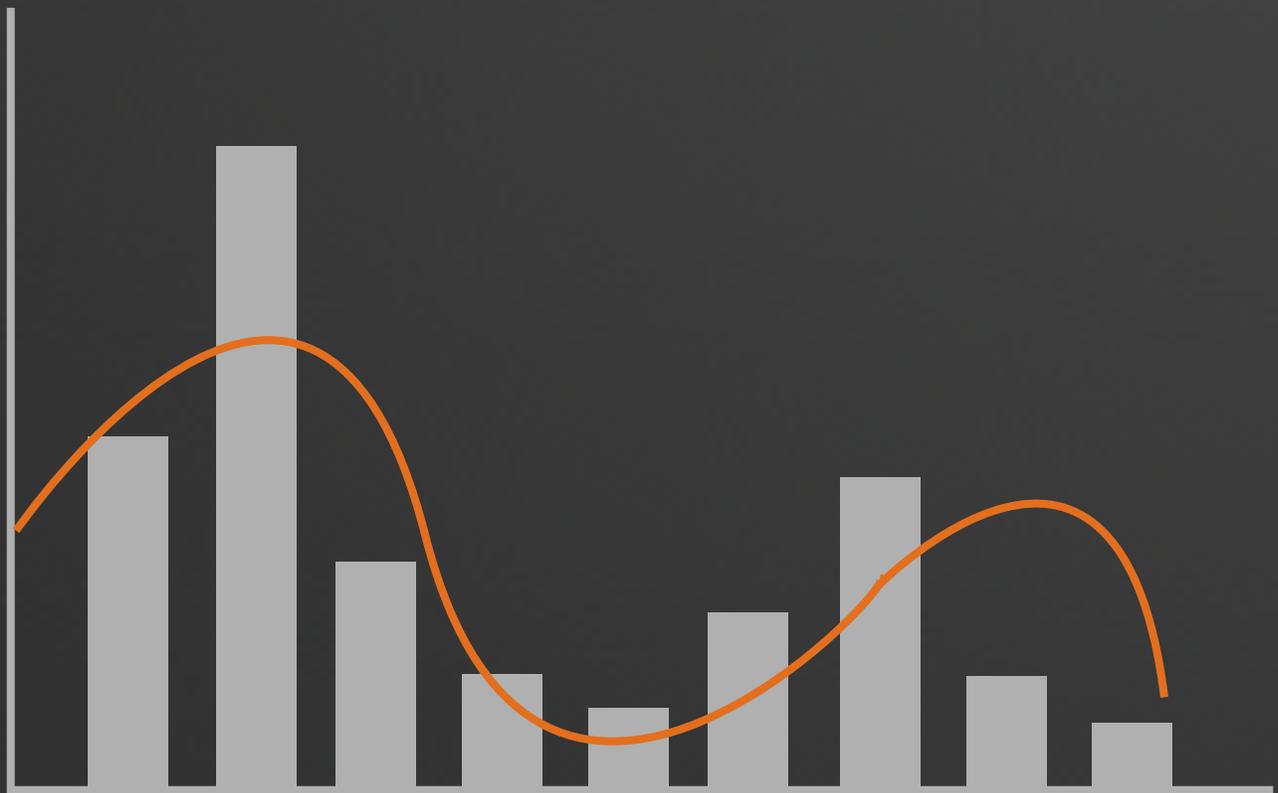


PPC Reporting, Simplified

How to Track Your Success & Avoid Information Overload



HABIT 1:
Regular Account Activity

PPC Reporting, Simplified

How to Track Your Success & Avoid Information Overload

Most people that engage in pay-per-click marketing say that **PPC reporting and analysis is their #1 or #2 biggest time sink**. Ouch! As the creators of the 20-Minute PPC Work Week, we hate to hear that you're spending hours or even days on a single task. But of course you can't just skip this step — reporting is crucial so you can evaluate your progress, communicate your successes, and make improvements to your account.

Why are marketers losing so much time on these important tasks? Because most reporting tools are overly complicated. You go in to check one metric and end up falling down a rabbit hole. And the reports these tools create are dense, bland, and difficult to understand. **There's too much information, and not enough actionable insight into your performance.**

So what's the answer? Streamlining. We believe that a **simplified approach to PPC reporting** can save you time while still providing all the information you need to make smart marketing decisions. In this paper, we'll outline the metrics you *do* need to track to succeed, and introduce a reporting tool that will help you:

- **Focus** on the most important metrics for success
- **Save time** on reporting and analysis
- **Take action** on your account to get better results

The Metrics that Matter for PPC

So what information should you be focusing on in order to understand your PPC performance without getting bogged down by information overload? You can always delve deeper if you want to, but these are the key metrics you should definitely track to ensure success.

Your Funnel Metrics

The marketing funnel is a way of visualizing the flow of people who interact with your business, from first-time visitors on to loyal customers.

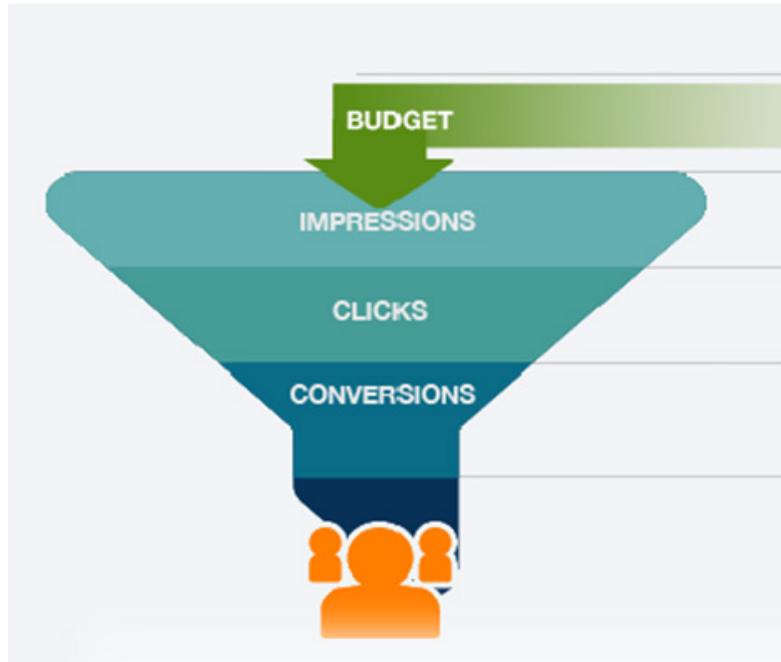
To understand your paid search marketing funnel, you need to keep a close watch on:

- **Budget** — The total amount spent on paid search.
- **Impressions** — The total number of times your ads are displayed in search results or on the display network.
- **Clicks** — The total number of times that people click on your ads.
- **Click-through rate** — Your total impressions divided by clicks gives you your click-through rate — a high CTR indicates that more people who see your ads are compelled to click through and learn more.

Most reporting tools are overly complicated. You go in to check one metric and end up falling down a rabbit hole.



- **Conversions** — The total number of people who complete a desired action on your site, by filling out a form, calling for a quote, buying a product, etc.
- **Conversion rate** — Your conversion rate can be found by dividing total clicks by conversions. A high conversion rate means that a high percentage of people who reach your landing page are compelled to take the next step, becoming a lead or a customer.



These top-level stats, which define your funnel, are key for getting an overview of your PPC performance, and understanding how the money you put into PPC marketing comes back in the form of profits for your business. So watch these metrics closely, and pay attention when they change.

Account Health

One of the best measures of the health of your account is Quality Score — it's sort of the PPC equivalent of your "vitals," like blood pressure, in medicine. A high average Quality Score is a strong indicator of a healthy account.

As a quick refresher, Quality Score is a number from 1 to 10 that Google assigns to each of your keywords. Quality Score is based on factors such as:

- Past CTR of a keyword
- Past CTR of a display URL
- Account history (overall CTR for ads and keywords)
- Landing page quality
- Relevance of keywords to ads



A high CTR indicates that more people who see your ads are compelled to click through and learn more.

- Relevance of keywords to search queries
- Geographic performance
- Performance of an ad on a particular website (for Display Network ads)
- Performance of an ad based on a targeted device

That may sound like a lot of variables, but all of these factors really point to a single quality: *relevance*. Google is looking for ads that match closely to searchers' intent — when there's a match, the searcher is more likely to click, and that's good for you, the user, *and* Google. A three-way win! If you can prove your relevance to Google, Google will reward you with high Quality Scores.

Note that it's also key to look at *impression-weighted* Quality Score, not just a flat average. Your impression-weighted Quality Score takes number of impressions into account, so ads that show more frequently have more weight in the average than ads that are rarely displayed.

Other metrics that reveal your PPC account's health include:

- **Click-through rate** — a strong predictor of Quality Score.
- **Average cost per click, or CPC** — the amount you pay each time someone clicks an ad. This adds up!
- **Total cost** — because you can't calculate your ROI without knowing the I (your investment)!
- **Cost per acquisition, or CPA** — the amount you spend to acquire a new customer, taking into account costs lost on clicks that don't convert.

Keyword and Ad Performance

Finally, your PPC reporting and analysis should take into account your top-performing keywords and ads. Once you understand what's working well, you can replicate those successes and iterate to make further improvements. So make sure you're tracking:

- **Top Keywords** — Which terms drive the most clicks? The most conversions? (They may not be the same!) What match types are working for you? Also track impressions, CTR, CPA, and total cost for important keywords.
- **Top Ads** — Your best-performing ads provide insight into the messaging that works with your customers. Can you re-use those headlines or CTA's elsewhere? Can you make them even better?
- **Top Landing Pages** — Similarly, make note of the landing pages that drive the most completed conversions. Try to create specific, targeted landing pages for every offer. No sending PPC clicks to the home page!

A high average Quality Score is a strong indicator of a healthy account.



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These are the account metrics that are most important for PPC analysis and optimization. If you're creating and delivering reports with five times the information, chances are your team doesn't read the reports in full, and that they don't understand all the data you're providing. Information-overload reporting is also costing you time, and it can lead to "analysis paralysis" — where you spend so much effort analyzing your performance, there's no time left for making changes and moving forward.

In the next section, we'll show you a solution to the "too much information" problem — the PPC Success Report.

The PPC Success Report: Not Too Much, Not Too Little, Just Right

WordStream's PPC Success Report is a PPC reporting tool that gives you the metrics you need and nothing else. You can create beautiful, easy-to-read PPC reports at the click of a button, complete with insights into your performance and tips on how to improve your results. Used in conjunction with the 20-Minute PPC Work Week, the PPC Success Report enables you to **visualize your progress, then take fast action where your account needs it most.**

The Search Performance Funnel section is a visual representation of key stats in your PPC account, including:

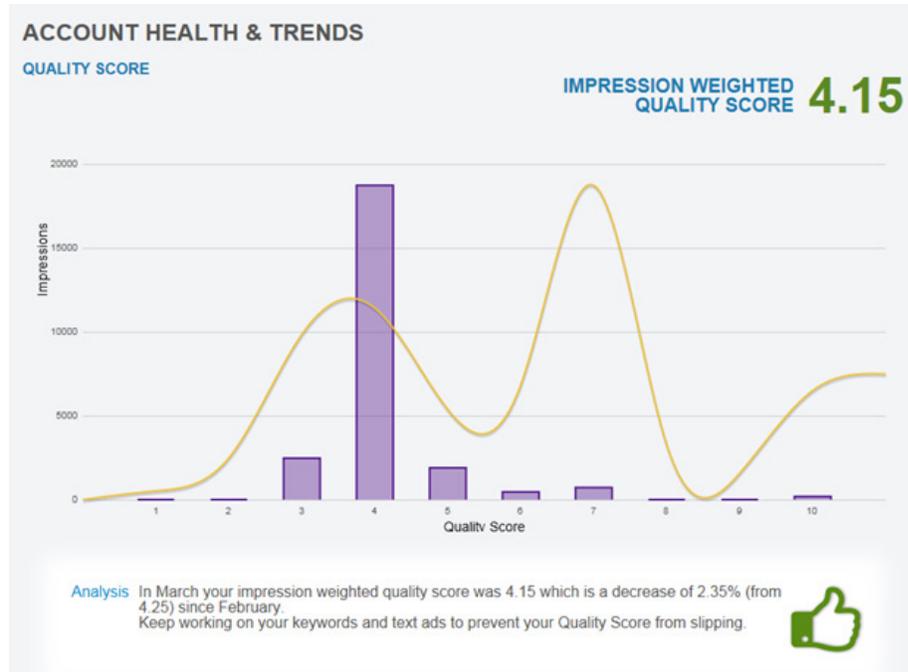
- Budget Spent
- Click-Through Rate (CTR)
- Conversion Rate
- CPA



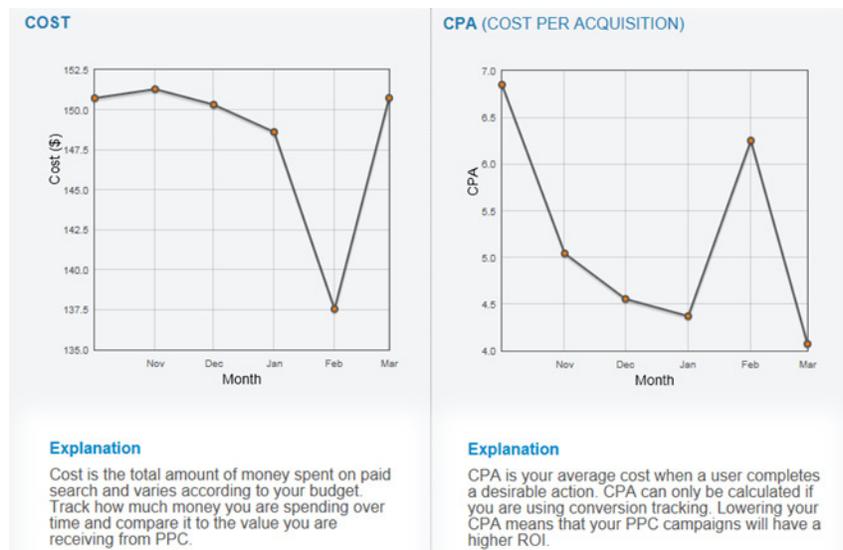
Once you understand what's working well, you can replicate those successes and iterate to make further improvements.

The funnel illustrates how your PPC costs are translating into clicks, conversions, and, ultimately, your bottom line. You can also see the percent change from the previous month and get some quick analysis on your numbers — so the report is ready-made to deliver to your manager or client.

The Account Health and Trends section shows you how your impression-weighted Quality Score, click-through rate, average CPC, total cost, and cost per acquisition are trending month over month, so you can stay on top of these key performance indicators.



Your Quality Scores are plotted against a recommended curve, so you know where to aim for better results.





About WordStream

[WordStream Inc.](#) is a provider of software and services that help search marketers maximize the performance of their PPC and SEO campaigns, driving traffic, leads, and sales for lower costs. The company's easy-to-use PPC management software facilitates more effective paid search campaigns by increasing relevance and Quality Scores in Google AdWords, automating proven best practices, and delivering expert-level results in a fraction of the time. In addition, WordStream provides full-service PPC management and other value-added services to help advertisers who are new to AdWords or strapped for time get stellar results from pay-per-click marketing. Learn more at www.wordstream.com.

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