

THE CMO'S PPC SCORE CARD CHEAT SHEET



PPC offers an analyst's dream of statistics, but they can be overwhelming. Here's what you need to know quickly judge your campaigns.



THE HIGHER THE BETTER

1. CLICKTHROUGH RATE (CTR)

Clickthrough Rate tells you how well your ads are performing for the keywords you have targeted. Plus, higher CTR's can decrease how much you spend per click.

2. CONVERSION RATE

Conversion Rate shows how often your ads lead to people taking an action you want such as filling out a form or buying online.

$$\text{CTR} = \frac{\text{CLICKS}}{\text{AD VIEWS}}$$

$$\text{CONV. RATE} = \frac{\# \text{ OF CONVERSIONS}}{\# \text{ OF CLICKS}}$$

3. RETURN ON AD SPEND (ROAS)

For ecommerce, ROAS is absolutely critical. If you're running lead gen campaigns, you'll need to manually define the average value of your leads or calculate after sales close. If you're not getting a good return on your ad spend, you're wasting money.

NOTE:

ROAS is often represented as a percentage, but Google will show it as a whole number. So if a campaign had 750% ROAS, the value in AdWords would be 7.5.

$$\text{ROAS} = \left(\frac{\text{REVENUE} - \text{SPEND}}{\text{SPEND}} \right) \times 100$$

4. IMPRESSION SHARE

Impression Share provides you information on how often your ads are showing compared to your competition. If your Impression share is low, you're missing potential customers. Generally we prefer "exact match" impression share.



$$\text{IMPR. SHARE} = \frac{\text{ACTUAL IMPRESSIONS}}{\text{ELIGIBLE IMPRESSIONS}}$$

5. COST-PER-CONVERSION (CPA)

CPA is one metric that can make or break an account. If you're paying too much for a conversion, are you really reaching your goals? Can you maintain the same level of conversions while lowering your overall costs?

YOUR CTA*

*CALL-TO-ACTION

$$\text{CPA} = \frac{\text{TOTAL AD COST}}{\# \text{ OF CONVERSIONS}}$$

6. COST-PER-CLICK (CPC)

Your actual cost-per-click depends on many factors, such as your bids, quality score, and the level of competition surrounding your keyword. The cheaper the click, the further your budget goes.



$$\text{CPC} = \frac{\text{CLICKS}}{\text{COST}}$$

THE LOWER THE BETTER

