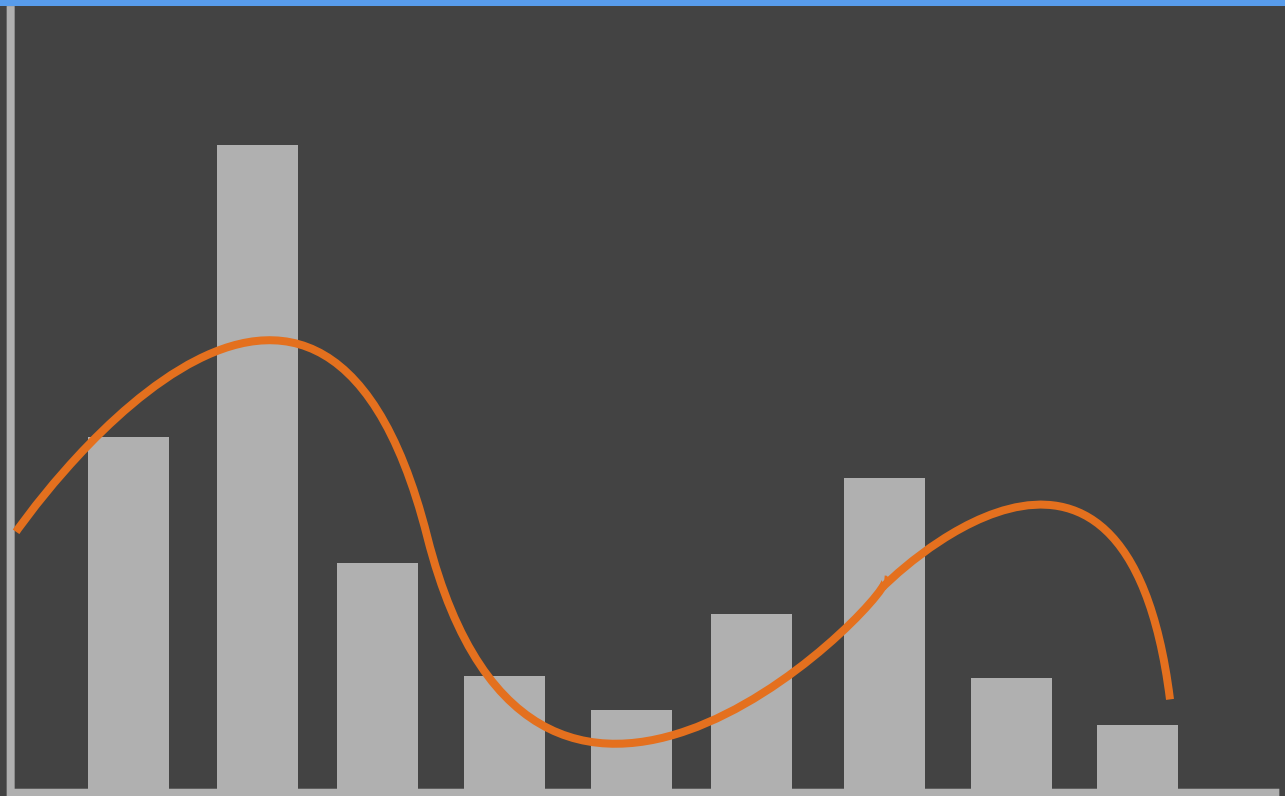


# Improving Quality Score: The Value of Being More Relevant

Raising Quality Score to Increase Exposure, Lower Costs,  
and Generate More Conversions



HABIT 2:  
Know and Love Quality Score

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## Why Should You Care About Quality Score?

Should you be concerned about Quality Score? You probably should, but let's find out for sure. Take a look at this list and see if any of the following apply to you:

- a) ***You're Paying Too Much*** — You're annoyed at rising pay-per-click (PPC) advertising costs (or you wouldn't mind paying less per click).
- b) ***Your Competitors Seem to Be Beating You*** — You wish your sponsored ads would show up higher than those of your competitors, but without having to pay more.
- c) ***You're Dissatisfied with Your Campaign's ROI*** — You want to run an AdWords campaign that *maximizes profits* and generates the most *qualified leads*, all while spending as little money as possible.
- d) ***Lack of Resources*** — You understand the benefits of Quality Score but don't have the time or energy to do anything about it, and aren't sure exactly where to start.
- e) ***All of the Above***

If you didn't think "that's me" with respect to any of the above, you probably aren't doing any pay-per-click advertising. But if one or all of those problems apply to you, you've probably had some experience with Google AdWords.

The good news is there's a single element that affects *all* of the aforementioned scenarios: **Quality Score**.

Improving your Quality Score will solve *each and every one* of the problems outlined above.

In this white paper, we'll provide an in-depth look at Quality Score, including how it's calculated, why it's important, and the specific advice that Google offers on how to optimize Quality Score.

After reading this white paper, you'll have a clear understanding of what work needs to be done to realize the benefits of higher Quality Score, and you'll know exactly where to start.

Let's begin!



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## What Quality Score Means to You

We'll start with the importance of Quality Score. Quality Score is really about people. As Jay Acunzo, Senior Manager of Content at HubSpot and a former member of the AdWords team at Google, puts it:

*Quality Score is perceived as a technical, complicated, black-box concept, but it never should have gotten that way. It's really relatively simple: it's about people. At its core, **Quality Score is about putting users first.** This might be initially surprising — users don't make money for Google, advertisers do! But Google wants to keep its users happy, and Quality Score is a tangible way of measuring what users value.*

It's easy to get caught up in the business of creating ads, measuring clicks and so on — and forget our core purpose as marketers. All we're really trying to do as marketers is resonate with an audience — we're trying to reach people in ways that are helpful, give them solutions, and help them solve their problems. Quality Score is just a measurement of how we as marketers are delivering on our promise to help users.

So it's crucial to remember that Quality Score isn't some arbitrary number that Google imparts on you and punishes you with. It's a measure of the usefulness of your advertisements to users. When users like your ads, everyone wins.

And how does QS affect your campaign performance? Quality Score helps determine:

- If your ad is eligible to be displayed alongside a user's organic search results.
- Your minimum bid and minimum first-page bid estimate.
- How much you pay every time a user clicks on one of your sponsored ads.
- The position in which your ads appear in the sponsored search results.

Furthermore, because Quality Score measures the relevancy of your keywords, ad copy, and landing pages, and since relevancy is so crucial for successful search marketing, Quality Score is a good predictor of the results you're likely to realize *after* a user clicks on your ads and winds up on your site. By bidding on relevant keywords, with relevant and descriptive ad copy, and creating descriptive and relevant landing pages, you're more likely to attract qualified leads and achieve higher conversion rates.

An increase in relevancy is good for everyone:

- It ensures that **customers** find what they're looking for.
- It affords **advertisers** an opportunity to be rewarded for creating advertising that customers want.
- It provides the **search engines** with a sustainable profit stream centered around connecting the two groups through search.

Since relevancy is so crucial for successful search marketing, Quality Score is a good predictor of the results you're likely to realize after a user clicks on your ads.



Since it's evident that it's a crucial component of any paid search campaign, we'll turn our attention now to understanding how Quality Score really works.

## How Quality Score Works: The Nuts & Bolts

In a nutshell, Quality Score is a Google-devised system that measures advertising quality (or relevancy), which in turn helps determine if your ad is eligible to be displayed in the search results for a given query. Beyond that, if your ad is deemed relevant, the position of your ad and the cost you pay each time it's clicked are also partially determined by your Quality Score.

The factors that determine Quality Score, as outlined by Google, include:

- The historical click-through rate (CTR) of your account and your specific keywords.
- The relevance of the keywords you're bidding on to each other and to the ads you create.
- The relevance of destination URLs that you're sending customers to (in relation to your keywords and ad copy).
- User-experience metrics such as page loading time.
- And the catch-all, mystery meat "other factors."

The variables that comprise Quality Score are detailed in Figure 1:



Figure 1: Quality Score is a measurement of the relevance of an ad group's keywords, ad text and destination URL to one another, plus additional user experience variables.

The Quality Score relevancy ranking system aims to make sure that the user search experience is as efficient as possible, even in the sponsored search results. It ensures that users find what they are searching for easily (a hallmark of good user experience), and that advertisers produce high-quality ads that are appealing and relevant to searchers.

According to Google, a **high-quality** ad is one that:

- Is relevant to the search query
- Accurately describes the product
- Is relevant to an organized landing page



Google programmatically evaluates these and other factors on an ongoing basis and assigns you a Quality Score — a numerical value from 1 to 10 — for each of the keywords that you’re bidding on in AdWords. The more relevant your ad, the higher your Quality Score.

## What Is the Purpose of Quality Score?

Quality Score helps Google satisfy each of the three parts of its advertising circle: the customers, the advertisers, and of course, Google itself.

- The **customers** want to see relevant results when they search for a keyword.
- The **advertisers** want qualified leads and high rankings for low costs.
- **Google** wants both parties to be satisfied so the money keeps rolling in.

Quality Score is a series of algorithms that allow Google to achieve this three-way synergy:



Figure 2: Google is an intermediary between advertisers and users. By enforcing Quality Score, Google ensures that both parties are satisfied with the results.

Before the introduction of Quality Score, it was possible for advertisers to make offers that had little to do with what users were searching for, often referred to as “bait and switch” tactics. While users clicked on the ads and Google made money, Google recognized that this was not a sustainable model due to the decreased value inherent in poor user experience. In order to create a sustainable model, Google needed to find a way to reward quality advertising that improved the search experience. Quality Score was instituted as a solution to this problem.

Quality Score provides a better search experience for the customer, because the sponsored ads are more closely related to what they are looking for. It also prevents advertisers from gaming the system, and it forces them — and provides a good incentive — to create specific, relevant ads and an easy customer experience. Relevant ads are rewarded with:

- The opportunity to be displayed
- Lower costs
- Better placement

Because Google’s Quality Score is so effective in structuring a good user search experience, both Yahoo and Bing now use their own versions of Quality Score (known as Quality Index in the Yahoo platform). Because Google is the largest search engine, we’ll focus on their model.



Quality Score is a series of algorithms that allows a three-way synergy between Google, customers, and advertisers.

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## How Is Quality Score Calculated?

Google determines Quality Score slightly differently for each of the different advertising networks that it runs. Here we'll learn how Quality Score is calculated for Google Search, which is the largest source of traffic for most advertisers.

According to Google:

*Quality Score is calculated in real-time, every time your keyword matches a search query — that is, every time your keyword has the potential to trigger an ad. Quality Score is used in several different ways, including influencing your keywords' actual cost-per-clicks (CPCs) and estimating the first page bids that you see in your account. It also partly determines if a keyword is eligible to enter the ad auction that occurs when a user enters a search query and, if it is, how high the ad will be ranked.*

The following are factors that Google says go into computing Quality Score for Google Search.

### **The historical clickthrough rate (CTR) of the keyword and the matched ad on Google**

Clickthrough rate (CTR) is the number of clicks your ad receives divided by the number of times your ad is shown (impressions) via Google search only. Your ads and keywords each have their own CTRs, unique to your own campaign performance.

Clickthrough rate is the most significant component of Quality Score because it directly indicates which ads are most relevant to our users. For example, a well targeted keyword that shows a similarly targeted ad is more likely to have a higher CTR than a general keyword with non-specific ad text. The more your keywords and ads relate to each other and to your business, the more likely a user is to click on your ad after searching on your keyword phrase.

### **The relevance of the keyword to the ads in its ad group**

This simply means that the keywords in your ad group must be relevant to your ads. Keywords in the ad group should be repeated in the ad text.

Clickthrough rate is the most significant component of Quality Score because it directly indicates which ads are most relevant to our users.



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## The relevance of the keyword and the matched ad to the search query

The keyword that a customer searches for (the search query) needs to be relevant to the keywords in your ad group and the ad itself. The match type is not taken into account when Google computes Quality Score.

## Your account history, measured by the CTR of all the ads and keywords in your account

Google takes your entire history into account when determining CTR. Some advertisers have mistakenly interpreted this to mean that they should make as few adjustments to their existing keywords and ad text as possible. In fact, Google favors the recent history and give advertisers plenty of room for improvement through constant refinement. According to a posting on the Google AdWords Agency Blog's Fact of the Day, "A few bad days of test performance will not ruin your Quality Scores. In order to optimize your clients' accounts, we encourage you to run targeted tests on your bids, creatives, and keywords."

## The historical CTR of the display URLs in the ad group

This point refers to the URL that is displayed in the ad, not the URL that the customer is directed to after clicking the ad. This should be relevant to the keywords in your ad group.

## The quality of your landing page

Google says that the three main components of a quality website are **relevant and original content, transparency, and navigability**.

- **Relevance** — Users should be able to easily find what your ad promises and the link to the page on your site should provide the most useful information about the product or service in your ad.
- **Originality** — Feature unique content that can't be found on another site. In other words, don't mirror pages found elsewhere, and provide useful content that is relevant to your ad.
- **Transparency** — In order to build trust with users, your site should be explicit in three primary areas: the nature of your business; how your site interacts with a visitor's computer; and how you intend to use a visitor's personal information, if you request it.
- **Navigability** — Provide a short and easy path for users to purchase or receive the product or offer in your ad, avoid excessive use of pop-ups, pop-unders, and other obtrusive elements throughout your site, and make sure that your landing page loads quickly.

The three main components of a quality website are relevant and original content, transparency, and navigability.



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A Google crawler periodically visits your landing pages to calculate these and other usability factors.

Now that we've covered the basics on how Quality Score is calculated, let's turn our attention back to why it's so important.

## The Importance of Quality Score

Quality Score affects virtually all the important metrics of a PPC campaign, including:

- Impressions
- Ad position
- Cost-per-click (CPC)

Here's how:

### How Quality Score Affects Impressions

Each time a user conducts a search, Google AdWords conducts an internal ad auction to determine which advertisers have ads it deems eligible (relevant enough) to appear alongside the user's search results. Google has publicly stated on numerous occasions their underlying belief that it's better to display no ads at all than to display irrelevant ads (and in doing so, potentially lose an opportunity for incremental revenue). Quality Score partly determines if a keyword is relevant enough, and hence eligible to enter an ad auction. The more times an advertiser's ads are deemed eligible to enter the auction, the more impressions (and hence, the more exposure) they will receive.

Previously, eligibility to enter the ad auction was determined by a minimum bid that was assigned to each keyword. The minimum bid was the inverse of Quality Score — the higher a keyword's Quality Score, the lower the minimum bid, and vice versa. An advertiser's keyword would be considered eligible provided the maximum bid was higher than the minimum bid. Recently this concept was revised and Google introduced a new metric called minimum first-page bid estimate, which is an estimation of the bid amount required for an ad to show on the first page of search results if a search query exactly matches your keyword. The estimate is based on the Quality Score and current advertiser competition for that keyword.

Thus, a higher Quality Score results in both a lower minimum bid and minimum first page bid estimate, both of which are related to the amount of exposure and impressions your ads are likely to receive on Google.





## How Quality Score Affects Ad Rank

To determine ad rank (or ad position), Google simply multiplies your maximum CPC bid by your Quality Score. It's obvious that a high Quality Score can significantly affect the positioning of your ad.

$$\text{MAXIMUM CPC BID} \times \text{QUALITY SCORE} = \text{AD RANK}$$

Figure 3: Ad rank is calculated by multiplying maximum CPC bid by Quality Score. To avoid continually raising maximum bids while achieving higher ad positions, you must improve your Quality Score.

Thus, it's entirely possible for an advertiser with a lower bid and higher Quality Score to have a higher ad rank than an advertiser with a higher bid and lower Quality Score.

## How Quality Score Affects Ad Price (Cost-Per-Click)

Quality Score determines how much you pay per click through this formula: (Ad rank to beat/Quality Score) + \$0.01 = Actual CPC. It becomes obvious when looking at this formula how much of a role Quality Score plays in determining your costs per click. This also means that by pursuing an effective strategy to raise your Quality Score, you may find yourself paying less per click than your maximum CPC bid. Here's an example:

$$\text{ACTUAL CPC} = \frac{\text{AD RANK TO BEAT}}{\text{QUALITY SCORE}} + \$0.01$$

Advertiser	Max. Bid	x	Quality Score	=	[Ad Rank]	Actual CPC
Mary	\$2	x	10	=	20 (no. 1)	16/10 + \$0.01 = <b>\$1.61</b>
Tom	\$4	x	4	=	16 (no. 2)	

Figure 4: The formula for calculating Cost-Per-Click (CPC) on Google AdWords

Even though Mary's \$2 bid is less than Tom's \$4 bid, Mary's Quality Score is much higher. Since Tom's ad rank of 16 is the one to beat,  $16/10 = \$1.60 + \$0.01 = \$1.61$ . Mary pays far less than Tom and enjoys a higher ad rank.

## How Quality Score Affects Premium Positioning

Google sometimes elects to display certain sponsored ads in the highlighted region above the search results. These positions are particularly valuable to advertisers because they are prominently positioned on the page. Given their prominence, it's especially important that these ads be high quality; therefore Google places extra emphasis on Quality Score when determining which ads to show in this location.



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To appear above the search results, ads must meet a certain quality threshold. In the past, if the ad with the highest ad rank did not meet the quality threshold, Google may not have shown any ads above the search results. But now, Google will allow an ad that meets the quality threshold to appear above the search results even if it has to jump over other ads to do so. Because premium ad positioning cannot simply be bought by raising bids, it is yet another compelling incentive for advertisers to focus on improving Quality Score.

## So What Now?

Quality Score obviously has an enormous impact on every aspect of your PPC campaigns, and by this point you can probably imagine the cost and positioning advantages you can enjoy as a result of improved Quality Scores.

But what do you do with all this information? How do you actually *improve* your Quality Score?

## How to Improve Your Quality Score

The process of increasing Quality Score is centered around the improvement of your campaign-wide relevance.

The most important component of Quality Score is click-through rate (CTR). Click-through rate represents a simple calculation: it's the number of clicks on your ad, divided by the number of impressions your ad receives. So the best way to raise your CTR is to get **more** clicks and **fewer** irrelevant impressions.

Most of the factors that affect Quality Score center on **relevance** (select **relevant** keywords, segment keywords into **relevant** groups, write **relevant** ad text, create **relevant** landing pages, and so on). Therefore, by focusing on raising your CTR through relevance, you're also implicitly outlining a strategy to improve all the factors that go into calculating Quality Score.

## How to Get More Clicks

The first step in increasing click-through rate is (surprise!) getting more clicks. To accomplish this goal, there are a number of things you should be doing:

***Continuous Keyword Discovery & Targeted Keyword Research*** — The first step to attaining a high click-through rate is intelligent keyword selection — by picking specific keywords that are highly relevant to the products and services that you provide, your ads are more likely to be clicked on. But this isn't just a one-time task. You need to constantly introduce new keyword opportunities into your keyword portfolio, and consistently assess the relevancy of those opportunities.

Quality Score has an enormous impact on every aspect of your PPC campaigns.



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Your own customers are a great source of keyword opportunities — quite possibly your best source. Your Web server log files or keyword reports from your Web analytics application contain valuable keyword data corresponding to how your customer prospects found your website in the past, arising from either paid or natural search marketing activities.

## Keyword Grouping & Campaign Organization

According to Google, “the most important tip for success with AdWords is to create tightly knit ad groups with keywords and ad text that are based on a common theme.” So, once you’ve compiled a large list of keywords, you then need to create semantically themed groupings from these keywords.

The next step is to create small, highly relevant AdWords ad groups that show a high level of searcher intent (so that you can write extremely clickable ad text). In a December 2008 newsletter, Google noted that:

*56 percent of buyers search using queries of three or more words, while only 7 percent use one word or an acronym.*

And queries have been getting even longer since! The value in creating highly specific keyword groups becomes fairly transparent.

## Write Relevant Ads

The next step is to create compelling ads that speak directly to the searcher’s query.

To do this, it’s important to remember which keywords make up your ad group, and which keywords are driving the most traffic. Make sure those keywords appear in your ads, then use ad rotation and testing to find the messaging that most resonates with your audience. Elements to tweak and test include:

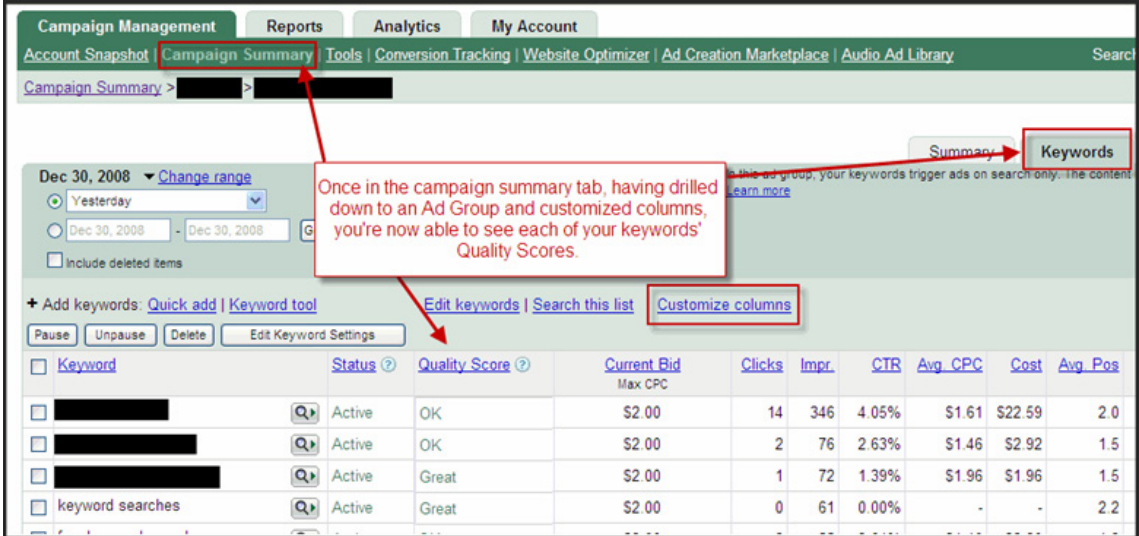
- Headline
- Punctuation
- Benefits
- The call to action (CTA)
- Dynamic keyword insertion



## How High Are Your Quality Scores?

You can look at your Quality Scores in Google AdWords right now.

Simply log in to your account, select a campaign, then click “Keywords.” Click the “Columns” link and be sure that Quality Score is displayed.



Once in the campaign summary tab, having drilled down to an Ad Group and customized columns, you're now able to see each of your keywords' Quality Scores.

Keyword	Status	Quality Score	Current Bid Max CPC	Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. Pos
[REDACTED]	Active	OK	\$2.00	14	346	4.05%	\$1.61	\$22.59	2.0
[REDACTED]	Active	OK	\$2.00	2	76	2.63%	\$1.46	\$2.92	1.5
[REDACTED]	Active	Great	\$2.00	1	72	1.39%	\$1.96	\$1.96	1.5
keyword searches	Active	Great	\$2.00	0	61	0.00%	-	-	2.2

Figure 5: Are you happy with your Quality Score?

If you just checked your Quality Scores, one of two things happened:

1. **Your Quality Scores Weren't Very Good** – If your Quality Scores were 5/10 or lower, you probably have an account that needs a lot of work and is costing you a lot more money than it should.
2. **You're Doing OK, But Not Great** – Even if you're a PPC expert and have spent hours and hours maintaining a relatively small list of keywords, you probably still don't see a lot of 10s, and the 8s, 9s and 10s that you do see are representative of a mass of work and extensive trial and error.

**If number 1 applies to you**, you need to get started raising your Quality Scores.

**If number 2 applies to you**, you should be thinking about ways to further improve results and to continue to do the work you're currently doing more efficiently.





## About WordStream

[WordStream Inc.](#) provides search marketing software and services to small and medium-sized businesses that want better results from paid search. WordStream's easy-to-use PPC Advisor software facilitates more effective PPC campaigns by providing a customized workflow, the 20-Minute PPC Work Week, to help advertisers increase relevance across Google, Bing, and Yahoo and get expert-level results in a fraction of the time. Whether you're new to search marketing or are an experienced PPC manager, WordStream's PPC management software can provide the boost you need to grow your business and drive better results.

## About HubSpot



HubSpot all-in-one marketing software helps more than 8,000 companies in 56 countries attract leads and convert them into customers. A pioneer in inbound marketing, HubSpot aims to help its customers make marketing that people actually love. Learn more at [www.hubspot.com](http://www.hubspot.com).