

11.7: Measuring success

How do you know if a campaign is performing well? You may think that more clicks are better, but is this necessarily the case? Being in the top position means that you may pay more per click. When your advertising budget is limited, it is often more cost effective not to bid too much for your keywords and to occupy the lower ad positions. Because you'll pay less per click, you can achieve more clicks, and potential customers, for your limited search advertising budget.

Advertisers need to consider what users do after clicking through to the advertiser's website from the search engine. When planning a search advertising campaign, it is crucial to set the goals of the campaign upfront, and make sure that these are attainable. With a goal set up, the advertiser can track how many of the users that clickthrough to the website follow through to that goal. This is called a conversion.

Goals could be:

- Buying a product
- Filling in a form or quote
- Downloading a white paper
- Sending an enquiry
- Booking a flight.

We know that the CTR of an advert is the number of clicks out of the total impressions. The conversion rate of an advert is conversions divided by clicks. The cost per action, or the cost per each conversion, is the total cost of the campaign, divided by the number of conversions. The average cost per click is the total cost of the campaign divided by the number of clicks.

As the advertiser, you also need to know the value of each conversion. If the value of a conversion is less than the cost of achieving it, you effectively lose money with every conversion. Knowing the value to your business of a conversion will enable you to run search advertising campaigns profitably.

	Impressions	Clicks	CPC	Total Cost	CTR	Conversions	Conversion Rate	CPA
A	1134	55	\$ 0.89	\$ 48.95	5%	5	9%	\$ 9.79
B	1134	123	\$ 1.36	\$ 167.28	11%	11	9%	\$ 15.21
C	2256	225	\$ 0.89	\$ 200.25	10%	11	5%	\$ 18.20

Figure 11.7.1: Adjusting bidding strategies based on business principles *Adapted From Stokes, 2013*

You also want to look at your share of voice, which is your brand's share of the total advertising exposures for that sector or product type. This helps you measure how visible you are during your campaign.

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