



# Ads Quality

An Introduction and Key Concepts

July 2007

# Objectives

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- Get a basic understanding of what is meant by ads quality and Quality Score
- Be able to think through why specific ads may have low or high minimum bids
- Be confident that you understand why ad quality matters to Google, you and your clients

# Agenda

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## Ads Quality

- What it is and why we care

## Quality Score

- Key concepts
- Key misconceptions
- Factors
- Quality Score in context

## Q & A

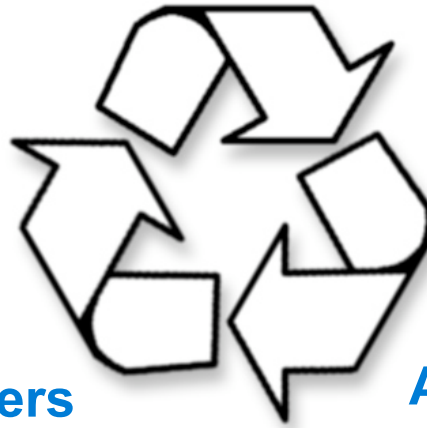
# Ads Quality | What it is and why do we care?

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Our goal: Serve ads that provide value for the entire Google ecosystem

Give them what  
they want the  
first time

**Users**



**Publishers**

Maximize earnings  
with useful ads

**Advertisers**

Drive traffic &  
maximize ROI

# Ads Quality | What it is and why do we care?

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AdWords works best for advertisers, users, and publishers when the ads we display match our users' needs as closely as possible.

**Ads quality** refers to the initiatives we use to continue to serve the highest quality ads to our users.

Ads quality includes, but is not limited to:

- ✓ Ad ranking and serving
- ✓ Ad promotion
- ✓ Landing page quality
- ✓ Much more...

# Quality Score | Key Concepts

Quality-based minimum bids provide an incentive to create high quality ads that are valuable to our users and provide better ROI for advertisers.

- Quality-based minimum bids were released in August 2005
- Minimum bids are directly correlated to a keyword's Quality Score
  - Quality Score includes the keyword's CTR on Google.com as well as the relevance of ad text, keyword, and landing page
- If the maximum CPC for a keyword is lower than the minimum bid, the keyword will be “Inactive for search”

<input type="checkbox"/> <a href="#">Keyword</a>	<a href="#">Status</a>	<a href="#">Current Bid</a> Max CPC
<input type="checkbox"/> <a href="#">buy flowers online</a>	Active	\$0.05
<input type="checkbox"/> <a href="#">buy orchids</a>	Active	\$0.05
<input type="checkbox"/> <a href="#">buy roses</a>	Active	\$0.05
<input type="checkbox"/> <a href="#">florist</a>	Inactive for search <a href="#">Increase quality or bid \$0.10 to activate</a>	\$0.05

## 6 Misconceptions about Quality Score

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1. There is only one Quality Score
2. Using different match types can improve your Quality Score
3. You can buy your way to a great Quality Score
4. High CTR = high Quality Score
5. Quality Score is reset when you optimize your account
6. Quality Score suffers when your ad is not running

# Quality Score | Misconception #1

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**Misconception:** There is only one Quality Score

**Fact:** There are separate Quality Scores used to set minimum bids and rank ads. In addition, the Quality Score is different for search and content.

# Quality Score | 2 different Quality Scores

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The first Quality Score determines eligibility to play in an auction and sets the minimum CPC

Static elements determine Quality Score

- keyword relevance
- ad text relevance
- landing page relevance

Quality Score determines the minimum CPC

- active / inactive keyword status
- more granular min CPC

<a href="#">Keywords</a> ▼ / <a href="#">Minimum Bid</a> ?
<b>Search Network Total</b>
black razor Minimum bid: \$0.05
black razor cell Minimum bid: \$0.04
black razor cell phone Minimum bid: \$0.04
black razor phone Minimum bid: \$0.04
black razr Minimum bid: \$0.03
black razr cell Minimum bid: \$0.04
black razr cell phone Minimum bid: \$0.04
black razr phone Minimum bid: \$0.04

# Quality Score | 2 different Quality Scores

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## The second Quality Score determines ad rank

Unique properties of a query let us refine the Quality Score

- If I advertise Hawaiian cruises and I have the keyword 'cruises' I'll get a better score for the query "Hawaiian cruises" than for "Alaskan cruises"
- The Quality Score is updated for every query

## Quality Score on Search

- With maximum CPC, determines ad rank
- Determines promotion to top of page

## Quality Score on Content

- With maximum CPC, determines ad rank on content pages
- Quality Score is not currently a factor when using Site Targeting

## Quality Score | Misconception #2

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**Misconception:** Changing keyword match types can alter my Quality Score

**Fact:** Quality Score is calculated using only data from queries that exactly match your keyword

- [red flowers], “red flowers”, ‘red flowers’ may all have different CTRs but they all have the same Quality Score (for setting minimum bids)
- Because Quality Score doesn’t depend on the match type, you won’t get lower costs by using all 3 match types
- Negative keywords help you eliminate irrelevant queries
  - This helps improve your account’s performance

**TIP:** Use match types to target your audience but not to improve Quality Score or decrease cost

# Quality Score | Misconception #3

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**Misconception:** Showing up in a higher position will benefit my QS

**Fact:** Quality Score is normalized to compensate for differences in performance for ads in different positions

- An ad in a higher position is predisposed to get a better CTR
- An ad above the search results is predisposed to get a better CTR

<p><b>Flowers</b> <span style="float: right;">Sponsored Links</span> <a href="http://www.FTD.com">www.FTD.com</a> Florist delivered <b>flowers</b> \$17.99. Same Day Delivery Available.</p> <p><b>Send Flowers from \$19.99</b> <a href="http://www.proflowers.com">www.proflowers.com</a> Send Roses, Lilies &amp; other <b>Flowers</b>. "Best Value" - Wall Street Journal</p> <p><b>Save \$10 on Flowers</b> <a href="http://www.Teleflora.com">www.Teleflora.com</a> Same Day Delivery by Local Florists Surprise Someone with Fresh <b>Flowers</b></p> <p><b>Flowers, Plants, Food Gifts &amp; Sweets, Gift Baskets, Teddy Bears ...</b> Flowers, unique gifts, gourmet foods, gift baskets, teddy bears, sweets and plants presented by 1-800-FLOWERS.COM, a leading online provider of fresh-cut ... <a href="http://www.1800flowers.com/">www.1800flowers.com/</a> - 72k - Nov 12, 2006 - <a href="#">Cached</a> - <a href="#">Similar pages</a> - <a href="#">Note this</a></p>	<p style="text-align: center;">Sponsored Links</p> <p><b>Flowers at 1-800-FLOWERS</b> Order from Your Florist of Choice®. Starting at Just \$29.99. Shop Now. <a href="http://1800flowers.com">1800flowers.com</a></p> <p><b>FTD Fast Flower Delivery</b> Express 4 Hour Delivery AM or PM ! Same Day "Hand Flower Delivery" <a href="http://www.NationwideFlorist.com">www.NationwideFlorist.com</a></p> <p><b>Flowers Delivered Today</b> Order Online and Get \$10 off Same Day Hand Delivery Guaranteed <a href="http://JustFlowers.com/Flowers_Special">JustFlowers.com/Flowers_Special</a></p>
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## Quality Score | Misconception #4

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**Misconception:** A high CTR means that I'll have a high Quality Score

**Fact:** Quality Score (for min CPC and for AdRank on search) is based on your ad's performance on Google.com

- It's possible for your ad to have a low Quality Score despite having a stellar CTR because it's not performing well on Google properties
- Leveling the playing field ensure that all ads are judged on the same criteria

## Quality Score | Misconception #5

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**Misconception:** I'll lose my history if I optimize my account

**Fact:** History of keywords, ad text and landing pages is preserved when the account is restructured

- New combinations of keywords, ad text, etc. lead to different Quality Scores

**TIP:** Experiment with improved account structure. You can always revert to the previous setup if you aren't satisfied with performance.

# Quality Score | Misconception #6

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**Misconception:** My Quality Score suffers when my ad/keyword is paused

**Fact:** Quality Score is partially based on the performance of a keyword and ad text within your account. Pausing an ad does not impact this aspect of the Quality Score because no performance data is accrued.

- Use ad scheduling to only show your ads when they perform at their best
- Pause keywords and creatives that are out of season and resume them next time they come in season

**Fact:** Quality Score is partially based on system-wide data so a paused ad's Quality Score could change when it is resumed.

- E.g. the keyword "Christmas Tree" will have a better Quality Score around the holidays. If you unpauses it in March, it may have a worse Quality Score, however this is an external factor and not a penalty because your keyword was paused.

# Quiz | Which factors matter in setting minimum bids?

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Amount of competition on the keyword



Advertiser conversion rates and profitability



Keyword performance across all advertisers



Account history



Performance of the ad text (as it relates to a keyword)



Ad position



Keyword performance within an account



Bid (max CPC) for a keyword



Whether the keyword is new to the system



Keyword match type (broad, phrase, exact)



Landing page quality



## Quality Score in Context | *Same Keyword with Different Minimum Bids*

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You manage the ABC Small Business Card account and want to add branded terms such as *ABC Card* and *ABC* into the Business Card account.

You're seeing high minimum bids of \$5.00 for these terms when within the consumer account for the same product these same keywords have a minimum bid of \$0.10.

### *What's the explanation?*

- Difficult to know exactly because other variables in the accounts are not equal
- It's likely that these keywords have performed well in the consumer account but their overall performance is poor

## Quality Score in Context | *Minimum Bids on New Keywords*

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You've just added new keywords and noticed that again 10% of them went inactive. Without any history on these keywords Google is setting a minimum bid of \$5.

### *What's the explanation?*

Minimum bids are set using all the data Google has. For some keywords (e.g. new keywords that are very specific and rarely searched on), we may have less data to determine the initial minimum bid and you may see a higher than anticipated minimum bid to start. If your ad proves its relevance, its Quality Score can rise quickly and your minimum bid will drop.



Q & A

# Quality Score | Q & A

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**Q: Are min CPC and QS directly or inversely related?**

A: They are inversely related, i.e. a high min bid means you have a low quality score.

**Q: When an account is re-created and the domain name on the old account had a positive or negative history, does it carry forward? How long does it take for a system to learn and provide the correct QS?**

A: There's no way to transfer account history to a new account. All accounts start fresh, and we rely on the data that our system has about your specific keywords, ad text, and landing pages in order to determine an initial Quality Score, such as the historical performance. If you are using the same keyword/ad text pair that you used in a previous account, then we will evaluate your keywords based on this previous history. Once your new account starts to accrue a history, this information will also be factored into the Quality Score.

**Q: Does cross-account quality (ie: within same MCC) impact each other?**

A: Account history is unique to an account and cannot be shared across multiple accounts. However, the history for each keyword/ad text pair is known to the system. This means that by replicating one of your existing keyword/ad text pairs in a new account, you will benefit from the previous history that you have accrued in other accounts.

**Q: How does a term on broad match trump one that is on exact match?**

A: We use the exact match variation of your keyword in order to determine the Quality Score on Google.com, therefore, the same keyword in each match type should have the same Quality Score, all else being equal.

# Quality Score | Q & A

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**Q: How does the auto-discounter work when there was a high minimum bid but there are only a couple of advertisers? How does the system calculate the billed CPC for the last ad on the page?**

A: You only pay the CPC necessary to have a rank number higher than that of the next lowest ad. The billed CPC for the last ad on the page is the minimum CPC.

**Q: You referenced position not affecting quality score, but won't ads in a higher position get a better click through rate than something at the bottom of the page?**

A: We take your ad's position into account when calculating the Quality Score. We know that an ad in position 1 will get a higher CTR than the exact same ad in a lower position so we normalize the performance data to account for this. As a result, your ad's position doesn't impact the Quality Score. Therefore, bidding higher on new keywords in order to improve your position will not necessarily guarantee a higher Quality Score for those keywords.

**Q: If you are the only one bidding does quality score matter? What if there are only a few people bidding?**

A: The minimum bid for your keyword is set solely based on your Quality Score, not based on the number of advertisers who are advertising on a keyword or the amount that others are bidding for that keyword.

**Q: Is an all-flash landing page a negative to QS?**

A: The use of flash, images and video will not negatively or positively impact your QS. As long as your landing page provides a good user experience that is relevant to a user who clicked on your ad, your QS will be good.

# Quality Score | Q & A

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**Q: Can you please clarify the CTR affecting QS on [google.com](https://www.google.com) vs. the other google properties? You mentioned the CTR that we see is not the actual CTR? Why is that?**

A: To ensure all ads are evaluated on the same criteria, we determine keyword quality based on an ad or keyword's performance on Google search results pages only.

**Q: Is there a way for us to see the CTR for just [google.com](https://www.google.com)?**

A: There is no way at this time to see your CTR on Google search only.

**Q: If [google.com](https://www.google.com) makes up a huge part of the overall Google traffic, shouldn't the CTR on the UI be a fairly good indicator of where your KW stands? We are seeing high CTR and low QS for a lot of KW, so does this mean that [google.com](https://www.google.com) really only makes up a small % of the traffic?**

A: The mix of traffic from Google and our network partners varies for each advertiser so we recommend you use Google Analytics to gain some insight into the numbers for your account. Also make sure that you're looking at keywords that have a good number of impressions since a keyword with a 20% CTR from 40 impressions is not necessarily an indication of how your keyword will do once it starts getting a more sizable number of impressions.

**Q: How often do you reassess QS?**

A: For the purpose of determining the minimum bid, we evaluate the quality score immediately when a new keyword is added. The frequency at which we update the quality score is based on how frequently we can calculate a new score that is statistically significant. For example, some very high volume keywords could be re-evaluated several times per day whereas lower volume keywords will be re-evaluated several times per week. For the purpose of determining the ad rank, we evaluate each query in real time based on historical data.