Improving Quality Score: The Value of Being More Relevant

Develop a Systematic, Sustainable Approach to Raising Quality Score to Increase Exposure, Lower Costs, and Generate More Conversions.

A WordStream White Paper
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.

We’ll also introduce WordStream, a software product specifically designed to improve Quality Score by simplifying, streamlining, and automating the repetitive, manual tasks that Google recommends in order to create high Quality Score ad campaigns, such as:
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.

Finding specific and relevant keyword opportunities.

Excluding irrelevant searches with negative keywords.

Grouping thematically related keywords.

Authoring specific, descriptive, and relevant ad text.

And doing it all over and over again…

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!

**What Quality Score Means to You**

We’ll start with the importance of Quality Score. 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.
We’ll go into more depth on the importance of Quality Score to your online marketing efforts later in the paper, but since it’s evident that it’s a crucial component of any paid search campaign, and because Google AdWords, MSN Search Center, and Yahoo all use similar relevance-based systems for ad serving, 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.](image)

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 programatically 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:

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.

**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.

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.

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.

![Maximum CPC Bid x Quality Score = Ad Rank](image)

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: \( \frac{\text{Ad rank to beat}}{\text{Quality Score}} + 0.01 = \text{Actual CPC} \). 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:

![Actual CPC = (Ad Rank to Beat / Quality Score) + $0.01](image)

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, \( \frac{16}{10} + 0.01 = 1.61 \). 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.

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 with WordStream

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.

But “be more relevant” and “get more clicks while reducing irrelevant impressions” is pretty vague, as advice goes. You still need to know how, exactly, you should go about it. Fortunately, WordStream has developed a suite of search marketing tools designed specifically for the creation of Quality Score-friendly campaign creation and maintenance.
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.

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. WordStream provides tools to easily extract keywords from these data sources and upload them into your own private keyword database. You can then supplement your historical data with additional keyword suggestions.

Figure 5: WordStream ensures that new keywords are discovered every day on your behalf.
WordStream also offers a JavaScript-based analytics package which tracks each new visit to your site through paid and organic search.

Once you’ve installed the JavaScript on your site, new relevant, personalized keywords will automatically be incorporated into your account on a daily basis.

**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 and made it dynamic, you then need to quickly and efficiently create semantically themed groupings from these keywords, as illustrated in Figure 6, an account for an online pet store. WordStream helps you organize your keyword database by breaking it up into a taxonomy of segments to form intuitive, tree-like structures, starting with larger, more general keywords groups and branching into smaller, more specific groups.

WordStream offers the most powerful keyword segmentation and grouping tools available, allowing you to create closely related, nested keyword groups in just seconds. The software automatically suggests relevant groupings and allows you to visualize each group before you create it. (The groups in gray above are suggested groups. Simply click the checkmark to the right of a suggested grouping to create it; click the “X” button to delete that suggested grouping. You can hide the suggested keyword groups at any time.)
Turn Keyword Groups into Ad Groups

Once you’ve generated an initial campaign structure, 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. It’s easy to turn these keyword groups into ad groups with WordStream.

Figure 7: Just select a keyword group and click the “Create PPC Ad Group” button to convert it into an AdWords ad group.

Write Relevant Ads

The next step is to create 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.

You couldn’t actually run the ad text shown in Figure 8; WordStream offers ad text suggestions based on your best keyword opportunities, but we’ll need to make some adjustments. However, this is helpful because now you know, as you author ads for this ad group, where most of your traffic is coming from:

- People looking for foam dog beds (not a surprising revelation)
- People looking, specifically, for memory foam dog beds
- People looking, even more specifically, for orthopedic memory foam dog beds
This is invaluable data! WordStream gives you a clearer picture of the target audience for a given ad group and its corresponding text ads.

Once you’re armed with a bit more knowledge about what these potential customers are looking for, you can finalize the new ad. The preview shows you what the ad will look like to Google users performing relevant searches.

Instead of focusing solely on the group’s top keyword (“foam dog beds”), we’re specifically targeting owners in search of comfortable, orthopedic memory foam beds. Speaking directly to the searcher’s need is a great way to earn more clicks.

But what about the other half of the click-through rate equation? We still have to reduce irrelevant impressions. For example, let’s say some of your traffic is from keywords like “memory foam dog beds Canada” — but you’re based in the U.S. and you don’t ship internationally. Similarly, people might be finding your site using queries like “Hello Kitty products” or “freshwater fish recipes.” Those searchers clearly aren’t your core audience, so why would you waste money bidding on those keywords?
**How to Reduce Irrelevant Impressions**

One of the most important factors in achieving PPC success (and in increasing your Quality Score) is identifying the impressions, clicks, and keywords you should be avoiding. The power of search lies in the fact that it provides highly qualified Web traffic. In order to achieve high Quality Scores, however, you’ll have to make that traffic (and your AdWords impressions) continually more and more qualified.

This means identifying a way to eliminate irrelevant impressions.

**Two Easy Steps to More Qualified Traffic, Improved Quality Score, and Untold Riches** — OK, we can’t actually make any promises on the untold riches front, but if you follow the steps we’re about to outline, we can assure you that you’ll be saving money. You’ll stop paying for visits that don’t stand a chance of converting, and you’ll improve your Quality Score by boosting your click-through rate. Here’s the formula:

1. Use More Specific Keywords
2. Use Negative Match Liberally (and Wisely)

Let’s take a look at the power of specificity first.

**Specificity Implies Intent** — It’s true. Every time you add a word to a search query, an additional layer of intent is revealed. We learn a little bit more about what that person is looking for. Let’s take a look at five different queries regarding our online pet store someone might type into Google:

- **Searcher 1**: Beds
- **Searcher 2**: Dog Beds
- **Searcher 3**: Foam Dog Beds
- **Searcher 1**: Memory Foam Dog Beds
- **Searcher 1**: Buy Orthopedic Memory Foam Dog Beds

We are less and less likely to have unqualified searchers see our ad as we move down the above list.

And let’s not forget that 56 percent of buyers use search queries consisting of three or more words.
There’s a Reason They’re Called “Match” Types — Google offers several match types in the hopes that you’ll find one that pairs your ad to exactly the right queries for it.

One such match type is “negative match.” Negative match allows you to tell Google which keywords you don’t want to bid on.

WordStream’s negative keyword tool suggests negative keyword candidates for you. You can then decide whether or not the suggested word or phrase is relevant to your business.

The powerful part is that as you designate more negatives and more positives, the tool learns about your keyword database and the quality of the negative keyword suggestions improves.

By aggressively implementing negative keywords and by discovering and grouping highly specific keyword variations, you can ensure that you’re receiving only quality, highly relevant impressions. Thus, you’ll have fewer irrelevant impressions to pair with your now more clickable campaigns, which is the key to high click-through rates and Quality Scores.

![Find Negatives](image)

Figure 10: WordStream’s Negative Keyword Tool helps you find terms that are driving traffic but aren’t relevant to your business.

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 campaigns, then click “Keywords.” Click the “Columns” link and be sure that Quality Score is displayed.
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 discover new keyword opportunities and to continue to do the work you’re currently doing more efficiently.

Either way, now is a great time to sign up for a free trial of WordStream for PPC and get started:

- Identifying and acting on your best keywords
- Eliminating wasteful spending
- Maximizing Quality Score and ROI

Just pause a single ad group — one that you think has potential but hasn’t been performing up to snuff. Or use our keyword tools to unearth an entirely new keyword vertical you haven’t been bidding on. Use the tool to build out that single WordStream managed ad campaign for 30 days. Watch your click-through rates and Quality Scores go up, and watch your costs go down!
About WordStream

WordStream is a provider of innovative, integrated keyword management solutions that simplify complex search marketing processes. Our patented software provides search marketers with a private, scalable online workbench for efficiently and continuously conducting PPC and SEO tasks including keyword research and negative keyword discovery; search query analytics; keyword grouping and organization; search marketing workflow and prioritization; and relevant ad copy and Web content creation.

WordStream believes that organizing, prioritizing, coordinating and executing PPC and SEO efforts around a comprehensive, well-researched and up-to-date taxonomy is the key to achieving search marketing success. The benefits of using WordStream solutions include increased productivity and greater relevance, enhancing the value of both paid and natural search marketing efforts. For more information about WordStream keyword management solutions and to sign up for a free trial, visit http://www.wordstream.com.