

- ADWORDS KEY TERMS -

CPC (COST-PER-CLICK)

Cost-per-click (CPC) bidding means that you pay for each click on your ads. For CPC bidding campaigns, you set a maximum cost-per-click bid – or simply "**max. CPC**" – that's the highest amount that you're willing to pay for a click on your ad. Your max. CPC is the most that you'll typically be charged for a click, but you'll often be charged less – sometimes much less. That final amount that you're charged for a click is called your **actual CPC**.

CTR (CLICK-THROUGH RATE)

A ratio showing how often people who see your ad end up clicking it. CTR can be used to gauge how well your keywords and ads are performing. CTR is the number of clicks that your ad receives divided by the number of times your ad is shown: $\text{clicks} \div \text{impressions} = \text{CTR}$. For example, if you had 5 clicks and 1000 impressions, then your CTR would be 0.5%.

AVERAGE POSITION

A statistic that describes how your ad typically ranks against other ads. This rank determines in which order ads appear on the page. The highest position is "1", and there is no "bottom" position. An average position of 1-8 is generally on the first page of search results, 9-16 is generally on the second page, and so on. Average positions can be between two whole numbers. For example, an average position of "1.7" means that your ad usually appears in positions 1 or 2

COST

This is calculated by the number of clicks on your ads and the relative CPC attached to the ad clicked on. For example you have a CPC of \$3, your ad is clicked 10 times: $3 * 10 = \$30$.

QUALITY SCORE

A quality score is the measurement from Google based on the relevancy of your ad headline, description, keywords and destination URL to your potential customer seeing your ad. A better quality score can get you better ad placement and lower costs.