

Google Ads, Meta, TikTok, which Is the Best Way of Paid Promotion?

Adrian Serban Comanescu

"Ovidius" University of Constanta, Faculty of Economic Sciences, Romania
adrys_serban@yahoo.com

Abstract

This paper explores the digital landscape shaped by tech giants Google, Meta (formerly Facebook), and TikTok, emphasizing their influence on information sharing, communication, and entertainment. A case study on Luxury Anis Srl, an e-commerce company, illustrates its strategic use of Google Ads, Meta Ads, and TikTok Ads from 2021 to 2023. The study delves into campaign types and their evolution, focusing on the pivotal Performance Max campaign. Key performance metrics, including Click-Through Rate (CTR), Conversion Rate, Cost Per Click (CPC), and Return on Investment (ROI), are analyzed. The study concludes with insights for future campaigns, emphasizing the importance of continual evaluation, adaptation, and strategic planning in the ever-evolving realm of digital advertising. The Luxury Anis case study showcases the significance of adeptly utilizing specific tools and understanding market dynamics for successful outcomes in digital advertising.

Key words: e-commerce, online shopping, retail, social commerce

J.E.L. Classification: M31

1. Introduction

In the dynamic landscape of the digital age, several tech giants have emerged as influential players, shaping the way individuals connect, share information, and consume content. Among these giants are Google, Meta, and TikTok, each contributing uniquely to the evolving digital ecosystem. Google, Meta, and TikTok stand as prominent entities in the dynamic landscape of technology and social media, each contributing significantly to the way people interact, access information, and entertain themselves in the digital age.

2. Literature review

Google, founded in 1998 by Larry Page and Sergey Brin, initially began as a search engine but has since expanded its reach into various domains, including cloud computing, advertising, and mobile technology (Brin&Page, 1998).

The company's commitment to innovation and its user-centric approach have solidified its position as a leader in the tech industry. (Google Inc., 2022).

Meta, formerly known as Facebook, was established by Mark Zuckerberg in 2004 and rapidly became a social media powerhouse. Meta's diverse portfolio includes platforms such as Facebook, Instagram, WhatsApp, and Oculus, creating a comprehensive social network that connects billions of users globally (Zuckerberg, 2004). The company's evolution into Meta reflects its strategic vision to explore the potential of the metaverse and redefine digital interactions (Meta Platforms, Inc., 2022).

TikTok, a relatively newer entrant to the digital landscape, has gained immense popularity, especially among younger demographics. Launched in 2016 by the Chinese company ByteDance, TikTok is a short-form video platform that allows users to create and share engaging content (ByteDance. 2016). Its unique algorithm-driven content discovery has contributed to its rapid growth, making TikTok a cultural phenomenon in the realm of social media (TikTok, 2022).

As these tech giants continue to shape the digital landscape, understanding their origins, evolution, and impact becomes crucial in navigating the interconnected world of technology and social media.

3. Research methodology

This paper focuses on a marketing research conducted by combining office research with the observation method. The information collected and used in this research belongs to the type of secondary information. We used various sources, divided into two categories, classic sources (books, articles, etc.) and online sources, the last ones being the vast majority.

4. Findings

We have chosen to address this topic in the present article, using a case study of an e-commerce company actively employing the specific tools of Google Ads, Meta Ads, and TikTok Ads. The company is named Luxury Anis Srl and has been operating in the online domain since 2021. The company's brand, registered with OSIM Romania, is called Luxury Anis.

Luxury Anis emerged in the online landscape through the websites www.luxuryanis.ro, www.luxuryanis.com and www.accesoriimatase.ro, as well as through platforms such as Emag, Vivre, and Cel. The primary market focus is Romania, but through Emag and the website www.luxuryanis.ro, the company also targets markets in Hungary and Bulgaria. The company's chosen niche is natural silk accessories (pillowcases, bonnets, scarves, bed linens, etc.) of the highest quality, 19-22 Momme density, carefully selected from manufacturers-suppliers in China. The products are essentially imported from China and then resold through the company's online channels.

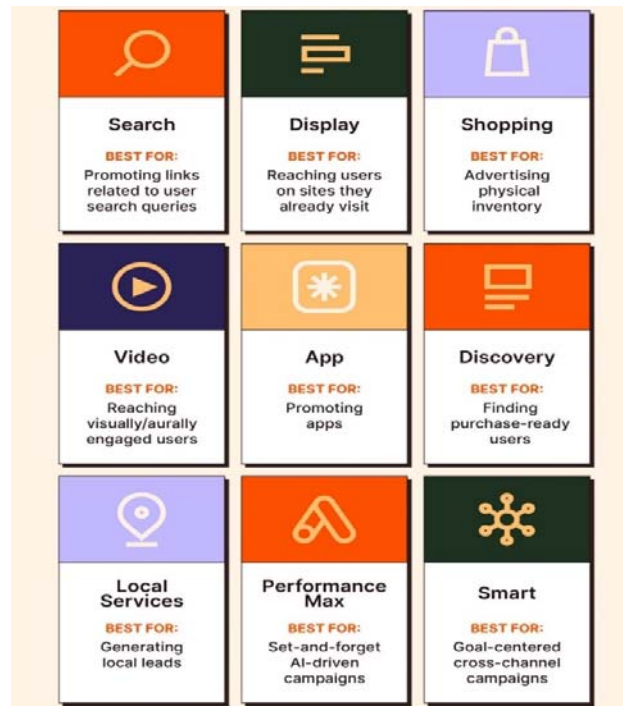
Following, we will focus on the types of promotion chosen by the company, namely the well-known Google Ads. Regarding Meta (former Facebook) and TikTok, the Luxury Anis company tried several classic smart campaigns on Meta, at the moment appearing with only one active campaign, which generates somewhere around 25-30 monthly conversions. On TikTok, the company's activity is at the beginning of the road, it has created a page and is trying to increase the number of followers, and later it will aggressively enter ads campaigns.

Regarding Google Ads, between 2021 and 2023, we will observe a rapid increase in the number of conversions, which will be reflected in the company's sales and revenue.

The company has chosen to exclusively promote itself on Google Ads during the period 2021-2023, through paid Ads and Performance, Shopping, Search, etc, campaigns. Additionally, the company's products have been promoted through organic SEO, Google Merchant (organic product feed).

In the following sections, it is provided a brief overview of the main types of campaigns that Google offers to advertisers in the year 2023:

Figure no. 1. Types of Ads campaigns

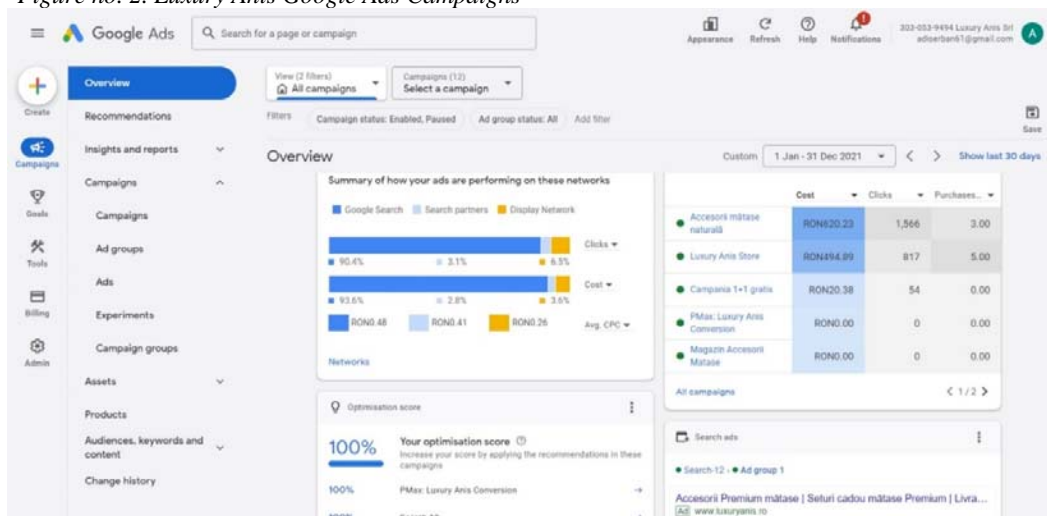


Source: (Emley, 2023)

Luxury Anis initially used the following types of Ads campaigns in its first year of operation:

One Shopping campaign, several Smart campaigns, and one Search campaign. Later, the Shopping campaign was upgraded to the Performance Max type, which currently generates the most conversion results. Additionally, at this moment, the company relies on other types of ads as well: 4 Smart campaigns and 1 Search campaign, all active.

Figure no. 2. Luxury Anis Google Ads Campaigns



Source: Overview - Luxury Anis Srl - Google Ads – View Campaigns

Regarding the best results generated in terms of campaign type, the Performance Max campaign has been and continues to be the most productive, with over 80% of successful conversion results attributed to this type of campaign on the www.luxuryanis.ro website.

In the image below, we will observe a situation from March 2021 to December 15, 2023, concerning various Ads campaign parameters used in the Performance Max campaign. In the following, we will review all these very important indicators used in Google Ads campaigns that measure the profitability of the campaign used.

CTR: 1.37% (the number of clicks that your ad receives divided by the number of times your ad is shown: $\text{clicks} \div \text{impressions} = \text{CTR}$) (*Google Ads Help - Clickthrough rate (CTR): Definition*)

CPC: 1.19 RON (The average amount that you've been charged for a click on your ad) (*Google Ads Help - Average cost-per-click (Avg. CPC): Definition*)

Total Cost: 66806 RON

"Total Cost" typically refers to the overall amount spent on advertising within a specified period or campaign. It encompasses the sum of all expenses associated with running ads, including the actual ad spend (the amount you pay for clicks or impressions) and any additional costs such as fees, taxes, or other related expenses.

Conversion Rate: 7.96%

Conversion rate in the context of Google Ads campaigns refers to the percentage of people who click on your ad and then take the desired action, or "convert." A conversion can be any predefined goal that aligns with your advertising objectives, such as making a purchase, filling out a form, signing up for a newsletter, or downloading an app.

The formula for calculating the conversion rate is:

$\text{Conversion Rate} = (\text{Number of Conversions} / \text{Number of Clicks}) \times 100$
 $\text{Conversion Rate} = (\text{Number of Clicks} / \text{Number of Conversions}) \times 100$ (*Google Ads Help - Conversion rate: Definition*)

Conversion Value: 338.079.16 RON

Conversion value in Google Ads refers to the monetary value assigned to a specific action or goal completed by a user who clicked on your ad and subsequently took a desired action on your website. It represents the revenue or value generated from a conversion, such as a purchase, sign-up, or other valuable user interactions. Conversion values help you track and optimize your campaigns' (*Google Ads Help - Return on investment (ROI). About conversion values*)

Conversion Value/Cost: 5.06 RON

Conversion value/cost typically refers to the ratio or relationship between the value generated by a certain action or event and the cost associated with that action or event. This concept is often used in marketing and business analytics to evaluate the efficiency and effectiveness of various activities. Conversion Value/Cost estimates your return on investment. It's calculated by dividing your total conversion value by the total cost of all ad interactions. (*Google Ads Help - Understand your conversion tracking data*)

Conversions: 4691.33

In the context of Google Ads, a "conversion" refers to a specific action that you want a user to take after clicking on your ad. Conversions are typically associated with goals that are important to your business, such as making a purchase, filling out a contact form, signing up for a newsletter, or any other desired action. In our case, respectively of the studied Performance Max campaign, we refer to making a purchase.

Cost/Conversion: 14.24 RON

Cost/Conversion in Google Ads refers to the average amount of money spent on advertising for each desired action or conversion achieved. It is a key metric that helps advertisers assess the efficiency and profitability of their advertising campaigns. This metric is crucial for advertisers to understand how much they are spending to acquire each conversion, whether it's a sale, sign-up, download, or any other predefined action that is considered a valuable outcome. A lower Cost/Conversion indicates a more cost-effective campaign, while a higher value may suggest that the advertising efforts need optimization.

"Also, a small final tip for a successful ads campaign: try to use all the tools and extensions provided by Google, you really have a lot to choose from (sitelinks, location, call extensions, reviews, various information). (Daraban, 2022, p. 169)

After finishing a Google Ads campaign, it's important to evaluate its performance and gather insights to inform future strategies. Here are some key considerations to keep in mind:

1. Performance Metrics:

- Click-Through Rate (CTR): Measure the effectiveness of your ad in generating clicks.
 - Conversion Rate: Assess how well your ads are converting clicks into desired actions (e.g., purchases, sign-ups).
 - Cost Per Click (CPC): Evaluate the average cost for each click on your ad.
 - Return on Investment (ROI): Determine the overall profitability of your campaign based on the revenue generated compared to costs.
2. Budget Analysis:
 - Review your budget allocation to different campaigns and ad groups.
 - Assess whether your budget was effectively spent on high-performing keywords or ads.
 3. Keyword Performance:
 - Identify top-performing keywords and those that didn't perform well.
 - Consider adding negative keywords to prevent your ads from showing for irrelevant searches.
 4. Ad Copy and Creatives:
 - Analyze the performance of different ad copies and creative elements.
 - Identify which headlines, descriptions, and images resonated most with your audience.
 5. Targeting and Audience Insights:
 - Evaluate the performance of different targeting options, including demographics, locations, and devices.
 - Use audience insights to refine your targeting strategy for future campaigns.
 6. Ad Extensions:
 - Review the impact of ad extensions on your ad performance.
 - Consider testing different types of extensions to improve ad visibility and engagement.
 7. Quality Score:
 - Assess the Quality Score for your keywords. A higher Quality Score can lead to better ad placements and lower costs.
 8. Competitor Analysis:
 - Research and analyze the strategies of competitors in your industry.
 - Identify opportunities to differentiate your ads and improve your campaign's performance.
 9. Landing Page Experience:
 - Evaluate the relevance and user-friendliness of your landing pages.
 - Ensure that the landing pages align with the ad content and provide a seamless user experience.
 10. Ad Schedule and Timing:
 - Examine the performance of your ads at different times of the day and days of the week.
 - Adjust your ad schedule based on when your target audience is most active.
 11. Seasonal Trends:
 - Consider any seasonal or industry-specific trends that may have influenced your campaign's performance.
 12. Learnings for Future Campaigns:
 - Document key learnings from the campaign to inform future strategies.
 - Implement optimizations and improvements based on the insights gained.

By thoroughly analyzing these aspects, you can gain valuable insights into your Google Ads campaign performance and make informed decisions for future advertising efforts. Regular monitoring and adjustments are crucial for maintaining a successful and cost-effective advertising strategy.

Figure no. 3. Luxury Anis Performance Max Campaign

Campaign	Cost	Clicks	Conv. rate	Conv. value	Conv. value / click	Conversion	Avg. CPC	Cost/conv.
PMax: Luxury Anis Conversion	RON66,806.00	56,265	7.96%	338,079.16	5.96	4,691.33	RON1.19	RON14.24
Unknown	-	-	-	138,673.58	-	2,559.95	-	-
New customers	-	-	-	111,368.90	-	745.86	-	-
Returning customers	-	-	-	88,076.28	-	1,385.52	-	-
Conversion: Luxury Anis	RON2,348.50	3,719	5.55%	18,482.77	7.87	206.48	RON0.63	RON11.37
Unknown	-	-	-	18,080.73	-	202.01	-	-
Returning customers	-	-	-	402.04	-	4.47	-	-

Source: Campaigns - Luxury Anis Srl - Google Ads

5. Conclusions

When it comes to planning the marketing budget for the next year, it is essential to evaluate the performance of our previous campaigns. A careful analysis of relevant data will provide a solid foundation for making strategic decisions. We will examine consumer trends, the effectiveness of marketing channels, and customer feedback to develop a coherent and efficient strategy.

The conclusion after finishing a Google Ads campaign is a critical assessment of its performance. It involves analyzing key metrics such as click-through rates, conversion rates, cost per click, and return on investment. Additionally, assessing the alignment of the campaign with the set goals and objectives is crucial. Insights gained from the data help refine future strategies and optimize budget allocation. The conclusion may highlight successful aspects, areas for improvement, and overall lessons learned, shaping a roadmap for more effective digital advertising endeavours. The analyzed case study of the Luxury Anis company shows us that good results can be obtained using Google Ads, in the situation where we know how to work very well with the specific tools, but also to choose the niche and the right product for the market, not just the financial investment being enough, but also the skill of the marketer who analyzes and discovers the opportunity.

6. References

- Brin, L., Page, S., 1998. *The Anatomy of a Large-Scale Hypertextual Web Search Engine*. Retrieved from <http://infolab.stanford.edu/~backrub/google.html>
- ByteDance, 2016. *About Us*. Retrieved from <https://www.bytedance.com/en/about/>
- Daraban, C., 2022. *ECommerce- no bull\$#t!*. Baia Mare: S.C SilkWeb S.R.L Publishing House
- Emley, B., 2023. *All 9 types of Google Ads, explained | Zapier*, Retrieved from: https://zapier.com/blog/types-of-google-ads/?utm_source=google&utm_medium=cpc&utm_campaign=gaw-row-nua-evr-search_nb_alldev_retargeting_developing1_developing2-ads&utm_adgroup=DSA-BestApps-Form Builder&utm_term=&utm_content=1011814&gad_source=1&gclid=CjwKCAiAzJotBhAL EiwAtwj8ti2ZMd5GwbI8KTUyspyigzPKc-oLXXvfsarvvOMzXY7G1JrXR2JI BoC9LIQAvD BwE
- Google Inc., 2022. *Company Overview*. Retrieved from <https://about.google/>
- Meta Platforms, Inc., 2022. *About Us*. Retrieved from <https://about.fb.com/>
- TikTok, 2022. *About Us*. Retrieved from <https://www.tiktok.com/en/about-us>
- Zuckerberg, M., 2004. *The Facebook*. Retrieved from <https://www.facebook.com/notes/mark-zuckerberg/looking-back-on-2017/10156700570028951/>

- * * * *Campaigns - Luxury Anis Srl - Google Ads*. Retrieved from:
https://ads.google.com/aw/campaigns?ocid=218557159&workspaceId=0&euid=226299070&_u=6684260430&uscid=218557159&_c=5846522991&authuser=0&subid=ro-ro-ha-aw-bk-c-bau%21o3~CjwKCAiAzJOtBhALEiwAtwj8tlZ17gqUHDgJNPMjH837u6PKct0mlnSc258uQyz5OvWNmAVSkGSp9hoC2_QQAvD_BwE~118527414438~kwd-94527731~12314442618~600173735490_emea-ha
- * * * *Google Ads Help*. Retrieved from:
<https://support.google.com/google-ads?sjid=15737068816725428907-EU#topic=10286612>
- * * * *Overview - Luxury Anis Srl - Google Ads*. Retrieved from:
https://ads.google.com/aw/overview?ocid=218557159&_u=6684260430&_c=5846522991&authuser=0&subid=ww-ww-xsell-edm_FM_AdsReactivations_OB_View_campaign
- <http://infolab.stanford.edu/~backrub/google.html>
- www.luxuryanis.ro