



Why is the Ad Rank Important?

Ad Rank and Ad Position are interlinked values that can confuse many people. When you take the time to understand the difference between Ad Rank and Ad Position you will comprehend the link between them.

Better yet, you'll be in a better position to make smart decisions about how to grow your business through paid advertising.

Sound good?

Let's discover more.

What is Ad Rank?

Ad Rank is used to determine the ad position, which is where an ad is displayed on Google's search engine results pages (SERP) relative to the competitors' ads.



To calculate it, Google considers a number of factors, including:

- bid amount
- ad quality score at the time of auction
- the context of the person's search (e.g. the user's location, device, time of search etc.)
- expected impact of extensions



Here is the formula to help you calculate your Ad Rank:

$$\text{Ad Rank} = \text{MAX CPC Bid} \times \text{Quality Score} \times \text{Expected Impact of Extensions}$$

The Benefits of a Good Ad Rank

Having a good ranking is definitely a good sign. Here are just a few things that your good Ad rank is telling you:

Better Ad Ranking means a Perfect Ad

Whenever a user search triggers your ad, it will compete in an auction, and then Google Ads calculates the rank. This process considers auction-time factors such as ad relevance and expected click-through rate. If your ad gets a better ranking, it is fulfilling more requirements for the top positions.

Good Ad Ranking indicates High Quality Score and Lower CPCs

A high quality score is indicative of a highly-relevant ad that is meeting the needs of users. Google will reward such ads with a lower cost-per-click (CPC) value. Therefore, by maintaining a high ranking position, you can keep your costs to a minimum.

What if Your Ad Ranking is Low?

If you have a low ad ranking, there is no need to panic — you can fix it in a number of ways:

- Try using different landing pages for each ad.
- Highlight the benefits of your product rather than features to target customer pain points.
- Focus on more defined keyword groups for each ad.

Each of these techniques can help you refine your ads so that they are more targeted and more relevant for smaller subsets of your wider audience. This should improve your CTR.



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As a last resort, you can also increase your keyword bids to improve ad rank. To discover more about improving your ad rank and optimizing for conversions, check out our blog on Conversion Rate Optimization best practices.

What is Ad Position?

Ad Position relates to your ad's placement in SERP. This is the list of results a search engine will return in response to specific search terms.

Within SERP, there are two types of search result:

1. Organic Searches

These are the natural listings that search engines return, which are determined by a series of relevant metrics and solid search engine optimization (SEO) practices.

2. Sponsored Searches

In Google's SERP, there are up to 8 sponsored search positions.

- A maximum of 4 sponsored ads may be displayed above the organic search results. These are the 'Top' positions.
- A maximum of 4 may be displayed below the organic results. These are called 'Other'.

The Ad rank will influence which position sponsored ads appear. For example, an ad position of '1' will hold the first position in the top area of SERP.

The Benefits of a Good Ad Position

For anyone in paid advertising, seeing your ads in a higher position in search results is a good feeling. But there's more to be gained than a dose of pride.

Higher Ad Position Can Improve ROI

When your ads show up on top, there is more chance of getting clicked on. By working on your quality score, you can maintain a good ad position, which ultimately helps to increase your return on investment (ROI).