

How Much Google Ads Cost in Australia (But Actually) [2023]

Primary Keyword:

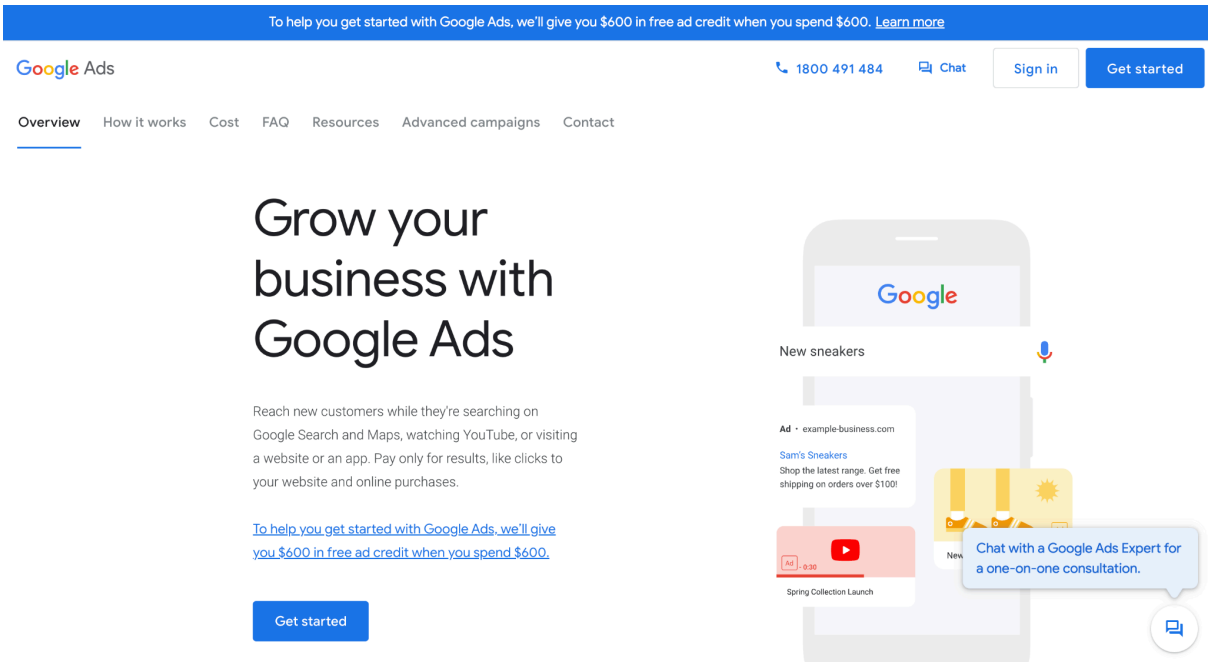
Google ads cost

Alternate titles:

- How Much Do Google Ads Cost In Australia? By The Numbers
- What Impacts Google Ad Costs In Australia? What You Need To Know
- Calculating Google Ad Costs In Australia In 2023

Meta: Australia's #1-rated marketing agency (and a Google Top 3% partner) breaks down the average Google ad cost. Broadly speaking, an average click works out to $3.20. But the end price depends on 1. Targeting 2. Industry 3…

Google Ads are so popular Alphabet's the world's biggest advertising business. Businesses use them to drive targeted traffic, increase brand awareness, and convert new customers.

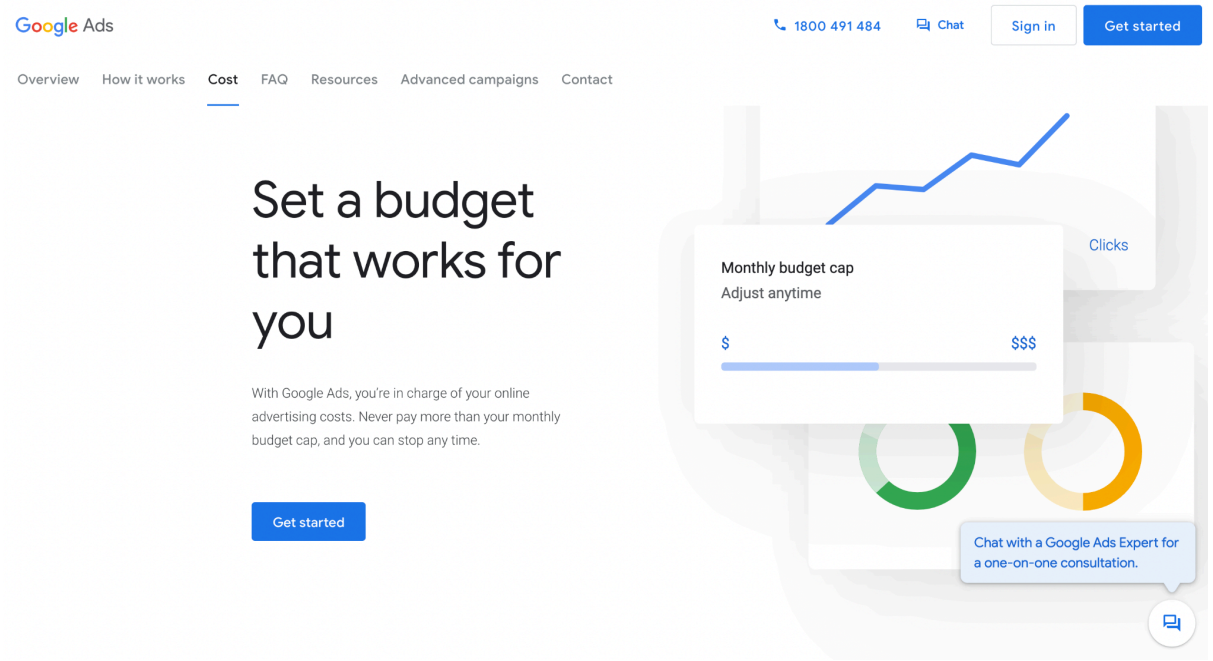


But how much do Google Ads cost - and how much do they cost in Australia?

As a Google Top 3% partner and Australia's #1-rated marketing agency, we're about to tell you. Below, we'll cover Google Ads costs in Australia; what affects these costs; how you can minimise ad costs while increasing ROI.

Let's start with…

How much do Google Ads Cost in Australia?



In 2021, the average cost-per-click for Google Ads (Search) is ~ $3.20 AUD ($2.22USD).

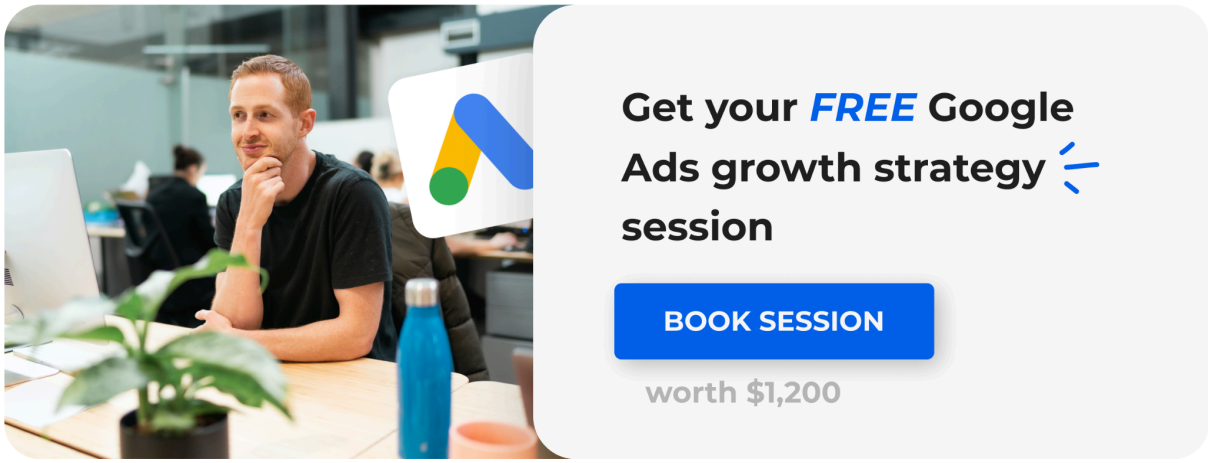
That being said, costs vary significantly depending on the industry. If you're bidding on insurance keywords, you'll pay around $13.37 AUD per click. If you're bidding on real-estate keywords you'll pay around $2.27 AUD per click.

In other words, daily ad spend for a campaign can fall between $50 to $5,000 (and beyond)... And you'd still get a decent number of clicks either way.

Google Ads management fees

Looking for someone to manage your Google Ad campaigns for you? Expect to pay $1,000-$3,000 per month.

As a rule of thumb, the more you pay, the better your results are going to be. A $1,000/month Google Ads management fee may get you a freelancer who's available on and off. $3,000/month could get you a whole team of PPC experts with Megaphone.



What influences Google Ads costs in Australia?

1. **Keywords**

If you're targeting a popular keyword with high search volume, you can expect to pay more per click. If you're targeting a long-tail keyword that's not as popular, you'll likely pay less per click.

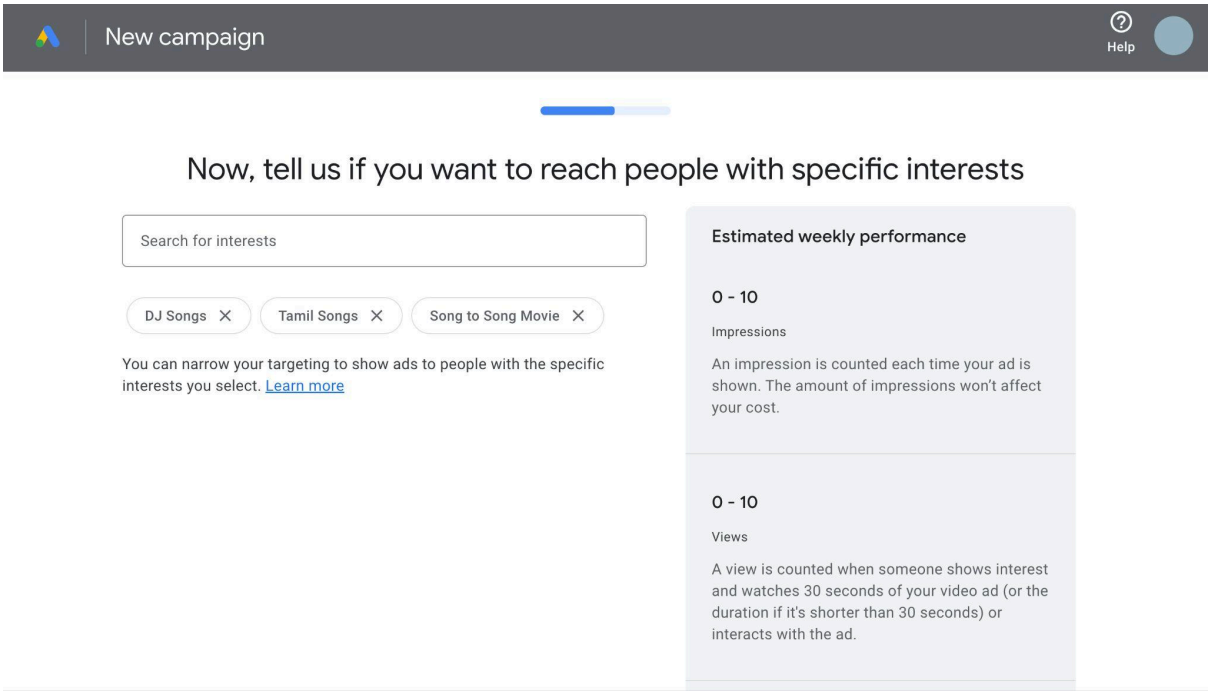
Search intent can also increase or decrease costs. For example, keywords with commercial intent (i.e. *buy shoes near me*) are more expensive than keywords with informational intent (i.e. *how to clean shoes*).



That’s because commercial-intent keywords tend to create immediate sales, making marketers target them more often.

To get an idea of how much you'll need to pay per click, use Google's Keyword Planner tool. Enter a keyword and Google will show you the average cost-per-click and search volume for that keyword.

2. Industry



Different industries have different levels of competition. For example, the legal and insurance industries are full of business owners and marketers trying to attract clients. You can expect to pay more industries like that (Statista).

These industries have the highest cost-per-click:

- Insurance
- Marketing and advertising
- Legal
- Automobile dealership
- Cryptocurrency

Finding channels that let you market your industry's products without overspending is important if you want to succeed with Google Ads.

3. Customer lifecycle

The length of your customer life cycle plays a key role in how much Google ads cost in Australia. A longer life cycle usually means customers need more time to make a purchase. You need to reach them across more touchpoints, which drives competition and prices up.

Of course, products with short life cycles can be highly competitive as well. For example, people tend to need medical care urgently… But medical keywords can be very expensive regardless.

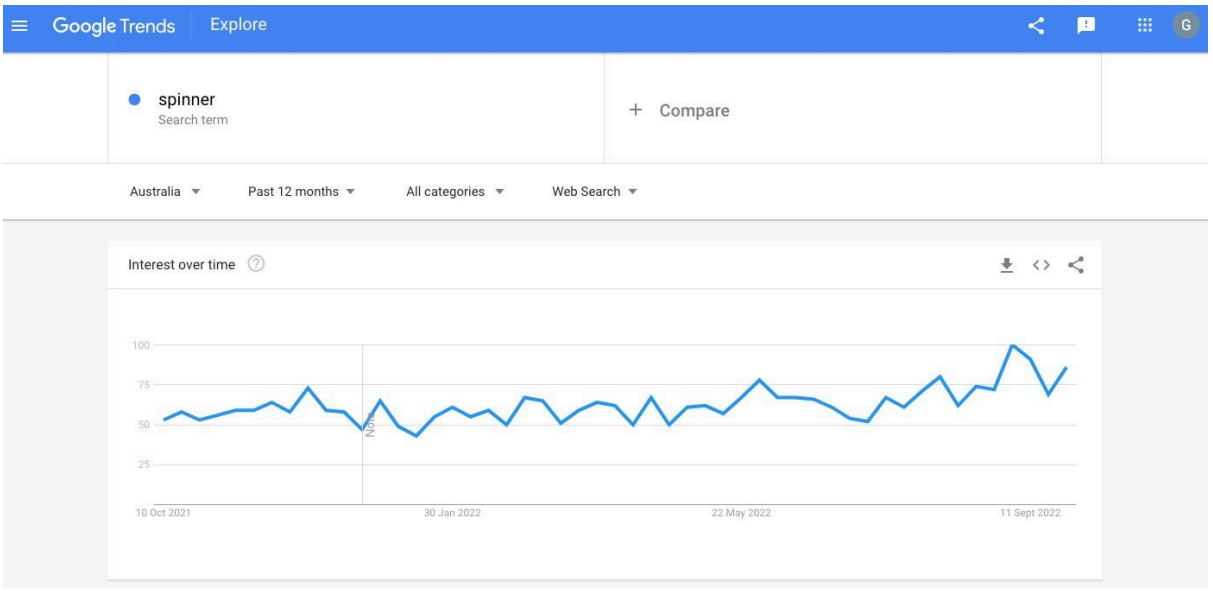
4. Quality score of your Google ads

Quality score (QS) is a way for Google to determine how relevant and useful your ad is to users. Ads with a high quality score tend to cost less than ads with a low quality score. Conversely, ads with low quality scores are more expensive to show.

There are a few factors that contribute to your quality score, including:

- Relevance of your ad to the chosen keyword
- Relevance of your ad to the search query
- Quality and relevance of your landing page
- Your click-through rate (CTR)
- Ad history (i.e. previous performance of your ad)

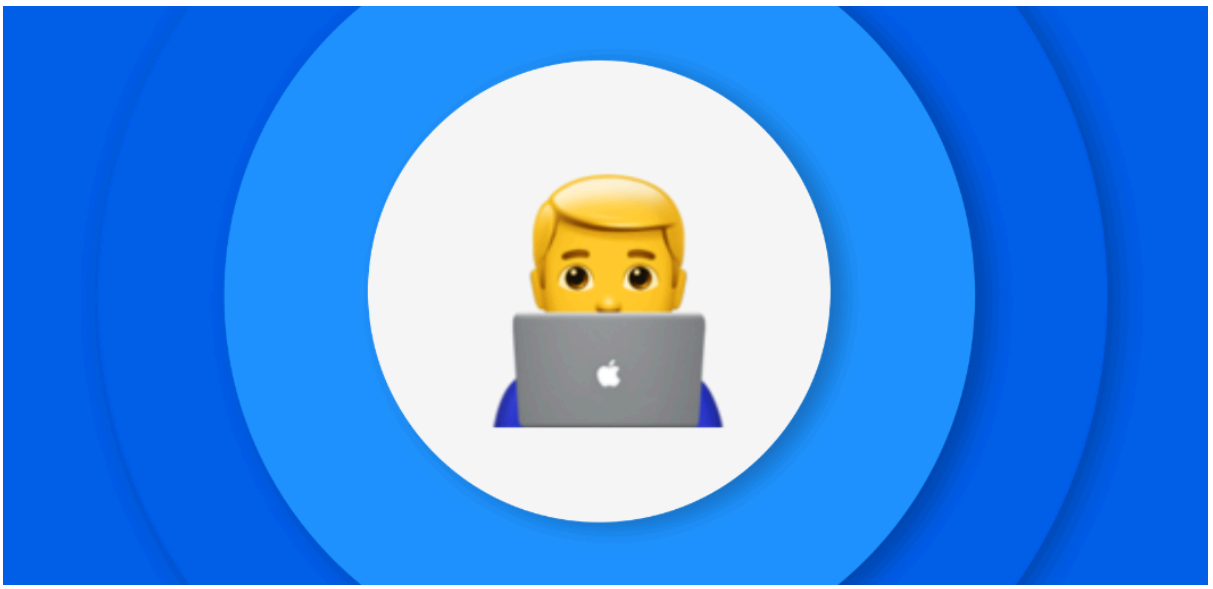
5. Current trends



Current trends impact the cost of your Google ads. For example, imagine there's a new product or service that's gaining popularity. You can expect to pay more for keywords related to that trend.

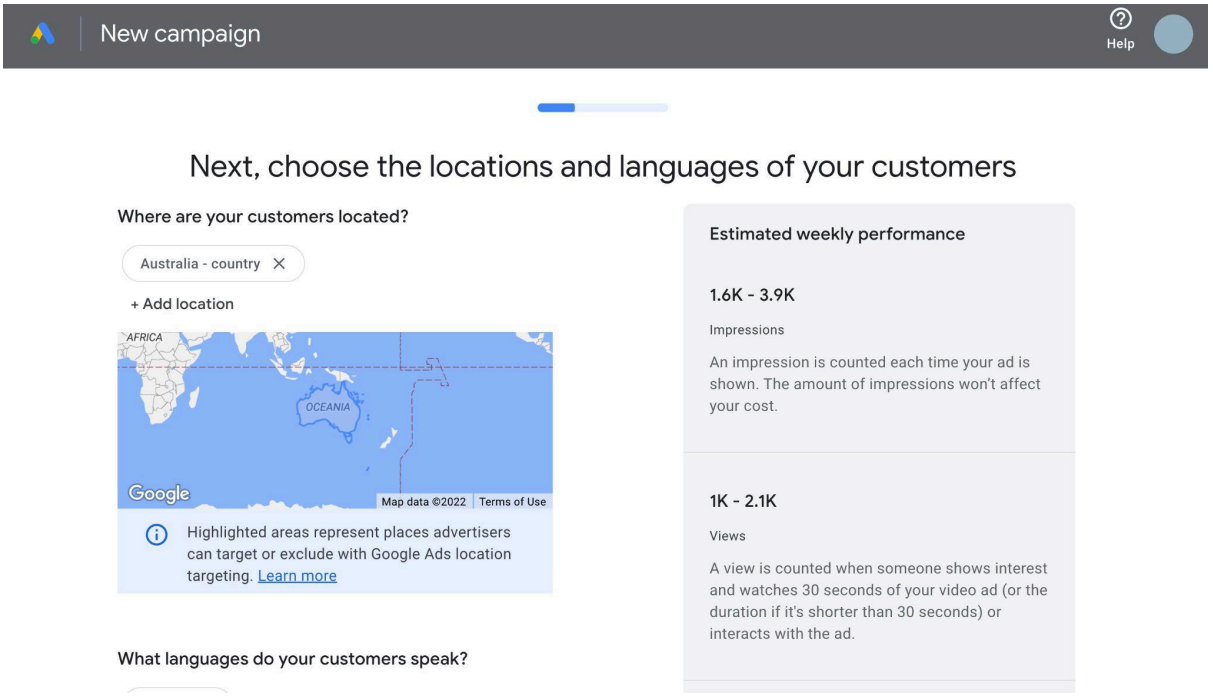
To stay up-to-date on current trends, you can follow industry news and blogs as well as social media platforms. If you want to track words as they become less popular - and cheaper to advertise for - use Google Trends.

6. Advanced targeting



Advanced targeting options can help you focus on potential customers, saving money on your Google Ads campaigns.

For example, you can use location targeting to make sure your ad is only shown to people in a specific area. If you want a local audience, this excludes anyone outside your area and helps reduce your cost-per-click that way.



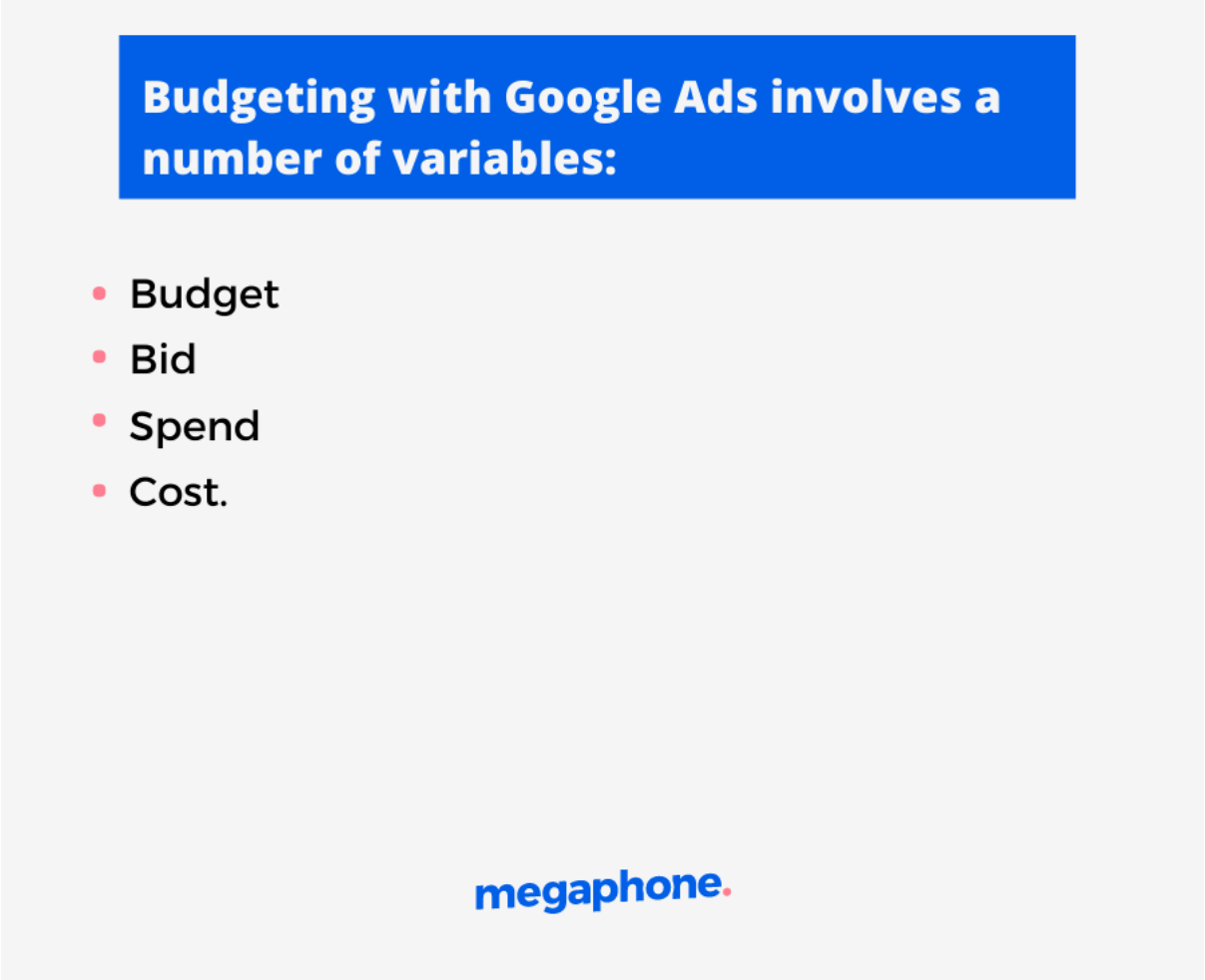
You can also target based on demographics. For example, if you're selling a product to adults (18+ years old), you can use age targeting to exclude kids and younger teens. Or you could exclude men from advertising meant for women.

Google Ads can also help you make more money so long as you point them at the right audience. Optimise your sales funnel over time to make sure you're running the best possible ad to the best possible audience.

How does budgeting work with Google Ads costs?

Budgeting with Google ads involves a number of variables:

- **Budget** - The amount you're willing to spend on your ads
- **Bid** - The amount you'll pay for a click or impression on your ad
- **Spend** - Amount taken out of your budget when your ad is in an auction
- **Cost -** What you actually spend per click on your ad



To make sure you stay within budget and make money on your campaign, pay careful attention to all four variables.

1. Daily and monthly average budgets

Your monthly budget is the total amount you're willing to spend on your ads over the course of a month. Your daily average budget is the average amount you're willing to spend on your ads each day.

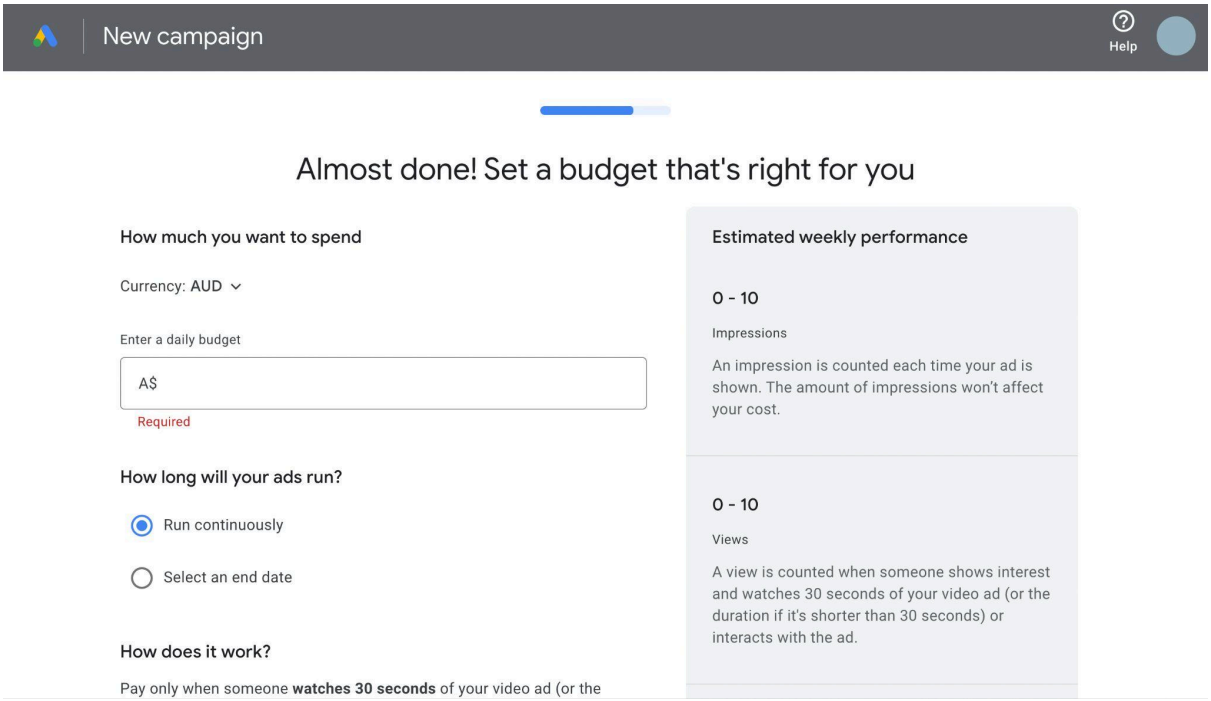
The daily budget is not the exact amount but an approximation.It's important to note that your monthly budget be divided unevenly throughout the month.



For example, imagine you set a monthly budget of $500 and your ad campaign runs from the 1st to the 31st of the month. You may end up spending $30 one day and $2 another day, and so on and so forth until you spend $500 in total.

2. Spending limits

Google can overspend your daily average budget by up to 100% to get more clicks and conversions. So if your daily average budget is $25, your daily spending limit is $50. This is the maximum amount you'll pay in a day.



Your monthly spending limit is roughly equal to your average monthly budget. As a rule of thumb, Google won't spend more than a few percent more than the amount you set.

3. Bidding

Bidding allows you to set a max amount you'll spend per click on an ad. You can do this manually or automatically. If you do it manually, you'll set a max CPC for an ad group. Within that ad group you can set different bids for different keywords.

With automated bidding, you can set your bid ceilings to help you achieve specific goals, like maximising clicks, getting a certain number of impressions, etc.



How can you reduce Google Ads cost in Australia?

There are a number of strategies you can use to reduce the cost of Google Ads in Australia.

1. Increase The Quality Score of Your Ads

The quality score is a measure of how relevant and useful your ad is to the person who's seeing it. The higher your quality score, the less you'll pay per click.

There are a few things you can do to improve your quality score, such as:

- **Creating more relevant ads**. For example, if you're advertising for *silk pillows*, pay someone to make the ad irresistible for people buying linen. If you're advertising insurance services, make the text relevant to your ideal customer.
- **Making sure your ad includes the keyword you're targeting**. This makes Google increase your quality score, assuming the whole ad is relevant.
- **Creating a landing page that's relevant to the ad**. So if you're selling shoes as a clothing store, make a separate landing page for shoes. The better your ad-landing page fit, the higher your Quality Score

You can also use negative keywords to make sure your ad isn't shown to people who aren't interested in what you're selling.

For example, if you're selling shoes, you might want to add 'discount' as a negative keyword so your ad isn't shown to people who are looking for discounted shoes.

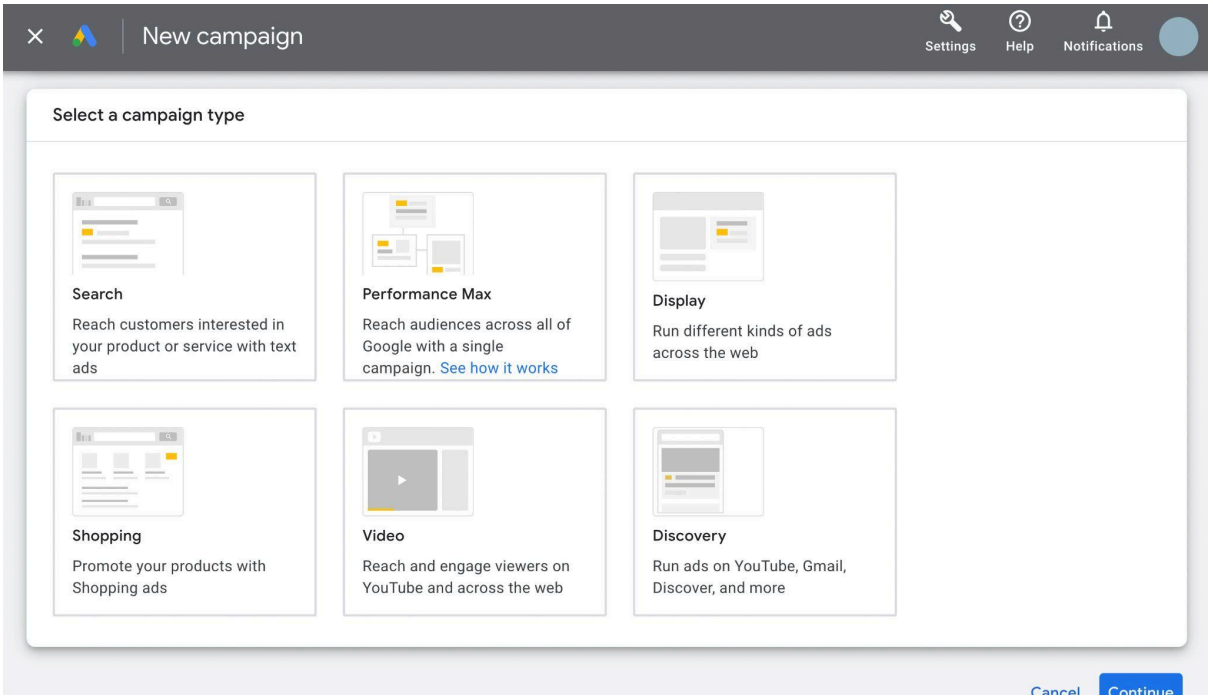
2. Use Targeted Campaigns

Targeted campaigns allow you to show your ad to specific demographics, like people in a certain age range or location. Smart targeting can increase ROAS and decrease ad costs.

You can also use targeting to exclude people who have already converted on your ad. For example, you can exclude people who've already bought from your website when running an ad for a new product.

3. Use Different Ad Types

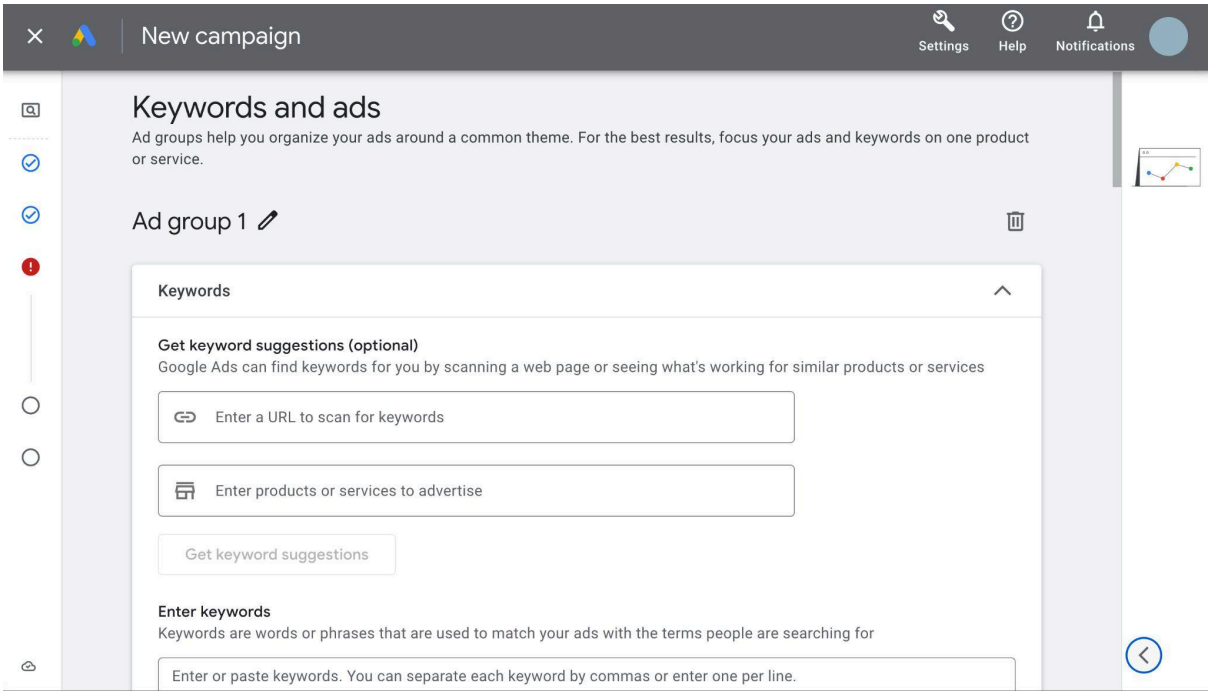
There are a number of different ad types you can use with Google Ads.



Some ad types, e.g. text ads, can be less expensive than others, e.g. image ads. The same applies to some ad formats. For example, responsive search ads are less expensive than standard text ads.

Experimenting with different ad types helps you find ways to save money. You can also use ad extensions to make an ad more relevant and less expensive. Ad extension examples include review stars and phone numbers.

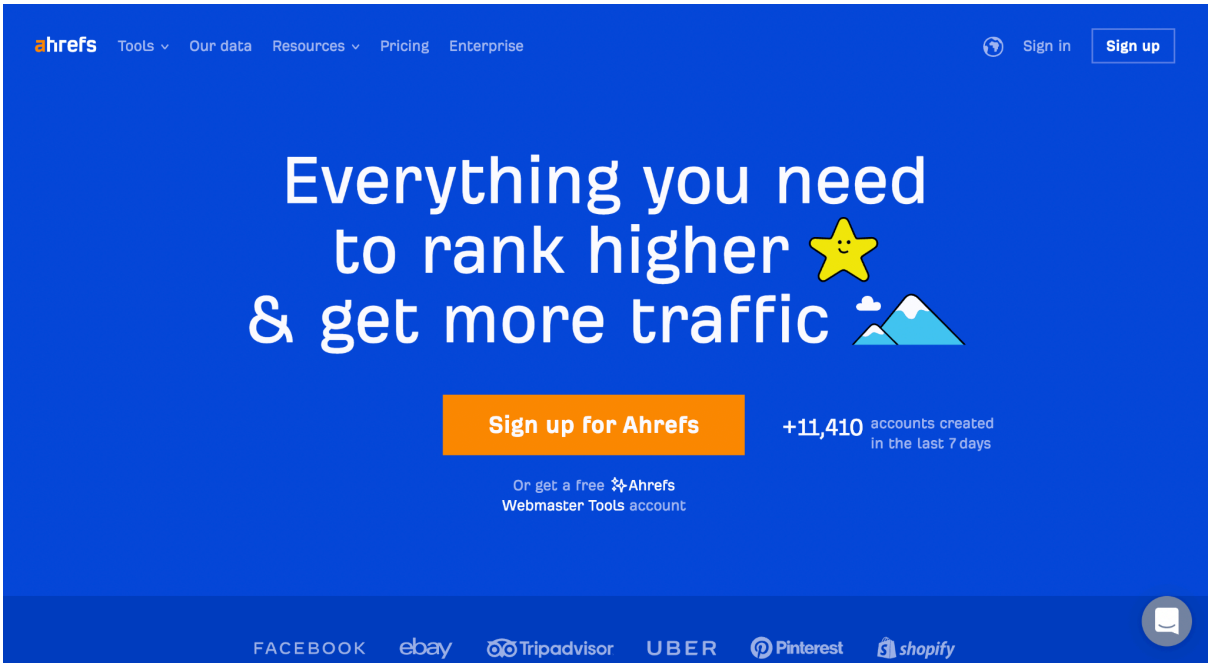
4. Bid on less competitive keywords



One of the easiest ways to reduce the cost of Google Ads is to bid on less competitive keywords. Many times, long tail keywords are less expensive than primary keywords, like "plumber" or "lawyer".

To find less competitive keywords, you can use the Google Keyword Planner. Just enter a primary keyword and the Keyword Planner will show you a list of related keywords and their level of competition.

You can also use keyword research tools like SEMRush or Ahrefs to find less expensive keywords to bid on.



5. Split your bids by device type

Shoppers use different devices for different purposes. In many cases, people are more likely to do research on their smartphone and make the final purchase on a desktop.

To take advantage of this, you can split your bids by device type. For example, you can bid more for people who are searching on a desktop and less for people who are searching on a mobile phone.

Figuring out Google Ads cost in Australia can feel challenging, especially given the various factors involved. But, by understanding how the cost is determined and using strategies to reduce your costs, you can ensure that your Google Ads campaign is effective and efficient.

So What Did We Learn?

Google Ads cost an average $3.20 AUD per click in Australia. That being said, prices can vary greatly. An insurance keyword will cost you an average $13.37; a click in eCommerce can cost you less than $1.



To save money on your Google Ads, it's important you understand how ad costs are set. If you can increase Quality Score, target the right people, and use the right ad types, you'll spend little but get lots of traffic and conversions.

Want a free consultation (worth $1,200) to help improve your Google Ads results? Then click the image below and talk to Megaphone: the #1-ranked marketing agency in Australia.

