



# THE STATE OF PPC

GLOBAL REPORT 2022



PPCsurvey.com

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# 1. Introduction

This research was born out of a strong desire to better understand what's on the minds of PPC professionals today and to go deeper than any survey in our industry ever has before.

As we stated on [our website](#) when launching the survey:

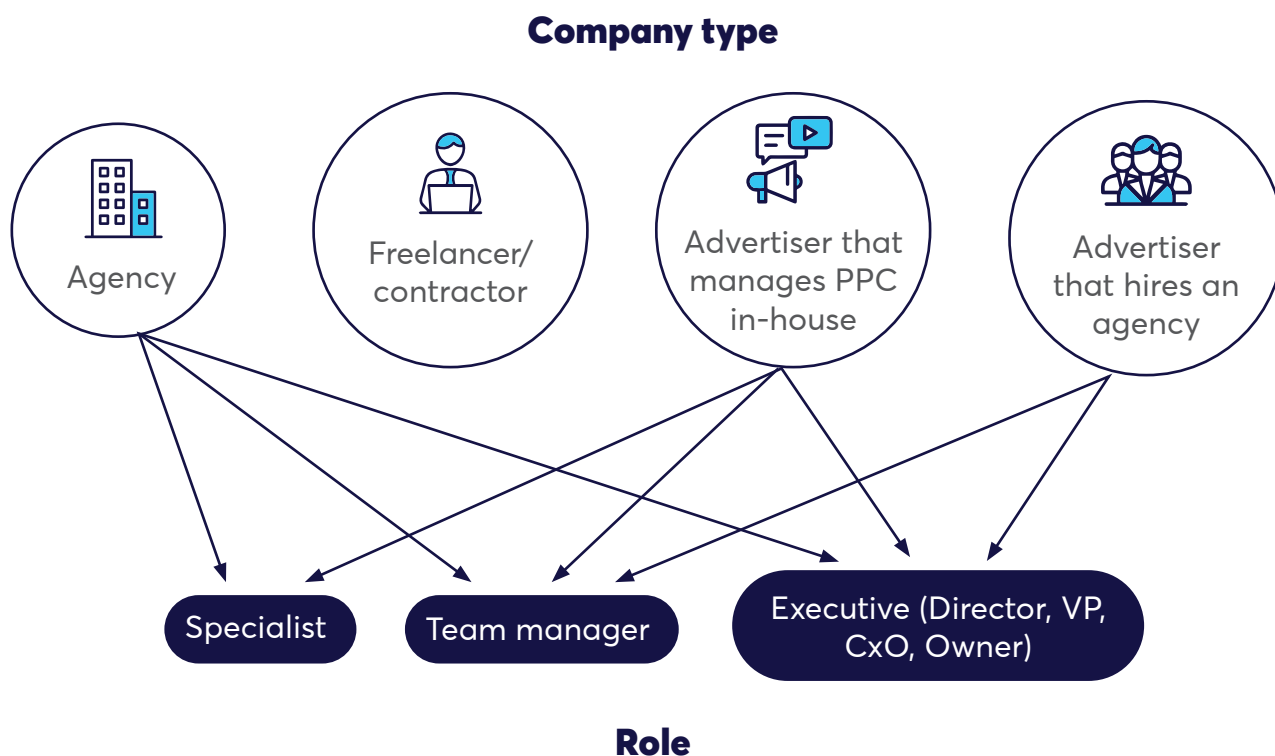
By now, most of us are already quite familiar with trends such as

- ◆ Clients' in-housing services
- ◆ The "war for talent"
- ◆ Machine learning
- ◆ The end of third-party cookies

This research does not want to state the obvious by "rediscovering" these trends.

What we do want is to discover what all this means for each player in the PPC ecosystem. We did this by asking role- and company-specific questions.

So, instead of creating a "one size fits all" survey, we created a dynamic survey that asks relevant questions based on our respondents' company type and role.



## PPCsurvey.com founding partners

The PPCsurvey.com initiative started in late 2021 when the following people met and quickly agreed that this research was worth doing and probably also worth repeating every year or two:

- ◆ Ed Leake, founder at [AdEvolver](#) and [God Tier Ads](#);
- ◆ Jerrel Zandgrond, head of marketing at [Swydo](#);
- ◆ Martijn Beumer, co-founder at [Producthero](#);
- ◆ Peter Rawlinson, CMO at [PPC Protect](#); and
- ◆ Wijnand Meijer, co-founder at [TrueClicks](#).

We hope you'll enjoy reading this report as much as we did creating it! For questions, suggestions, and potential future partnerships, please email [ppcsurvey@trueclicks.com](mailto:ppcsurvey@trueclicks.com).

## 2. Survey methodology and demographics

During Q4 2021, 540 people completed our online survey. They either were invited by one of the founding partner companies or found out about this initiative through social channels or advertising. We offered various prizes and early access to this report as incentives.

Leaving a work email address was optional, and 16% of our respondents decided to leave the email field empty or to enter a personal email address (e.g. gmail.com).

Based on respondents that left their work email addresses, we can proudly say results in this survey include feedback from PPC teams (and their leaders) at the following agencies and advertisers.

**Agencies:** Anicca Digital, Booster Box, Clix Marketing, Dentsu, Digital Third Coast, Directive Consulting, GroupM, iProspect, Jumpfly, Omnicom Media Group, Perficient, PHD Media, RocketMill, Seer Interactive, Storm ID, Thrive Agency, and Wavemaker.

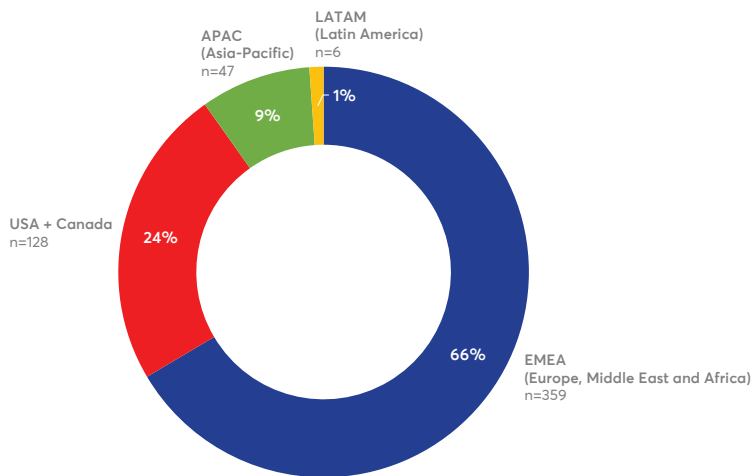
**Advertisers:** Bakker.com, Bol.com, ContentKing, GrandVision, Pandadoc, Rituals, and Wehkamp.

We wish to thank all our respondents for taking the time to fill out our rather long survey. We hope this report shows it was time well spent.

Let's dive into our participants' backgrounds below.



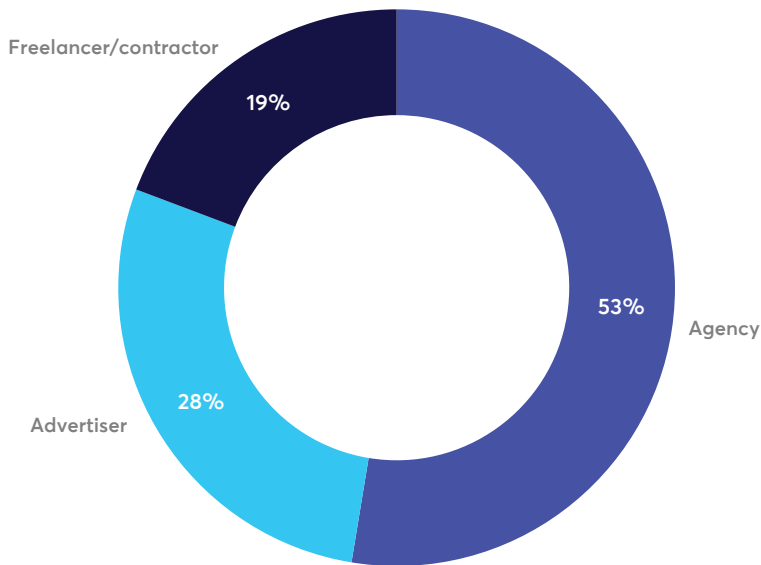
## 2.1 Geographic breakdown



Two-thirds of respondents came from the EMEA region and one in four respondents were from North America. As all survey partners are based in Europe, it was expected that a majority of respondents would come from the EMEA region. For the next edition of this survey, our goal is to involve more respondents from other regions for a more well-balanced, global perspective.



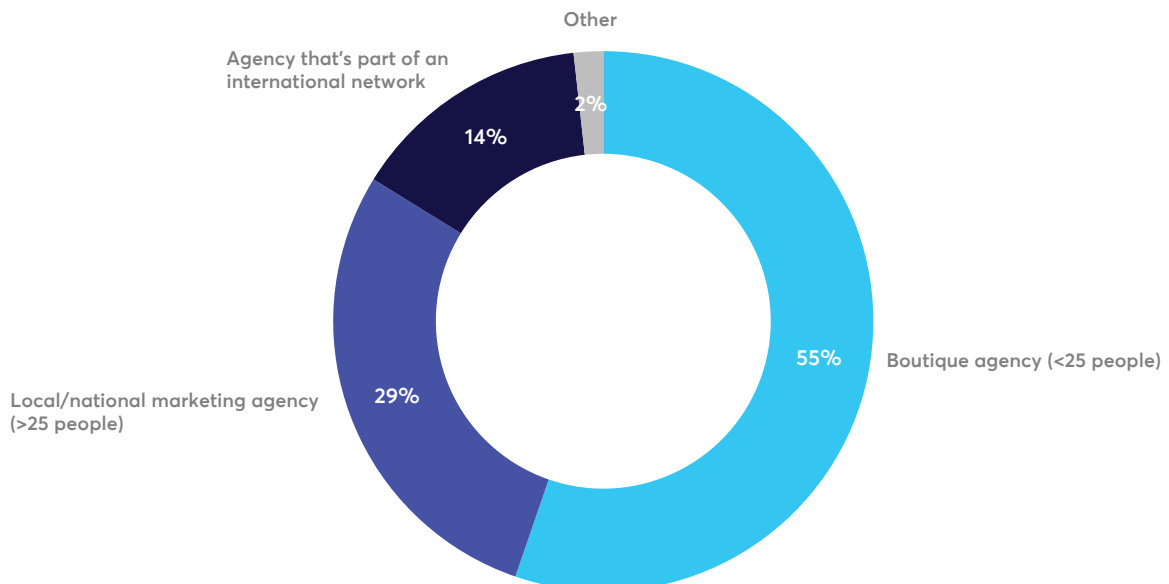
## 2.2 Company type



Just over half of our respondents work at an agency, while three out of ten work advertiser-side. Nearly 20% work as PPC freelancers or contractors.



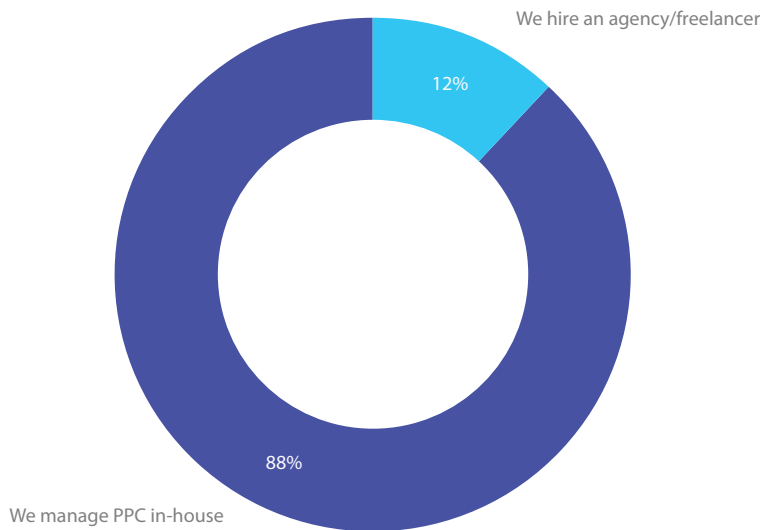
## 2.3 Type of agency



More than half of our 284 agency respondents work for a boutique agency with fewer than 25 employees. Three in ten work at a larger agency, and 14% work for an agency that's part of an international network.

The 2% that answered "Other" are working for venture capital and consulting companies.

## 2.4 Type of advertiser

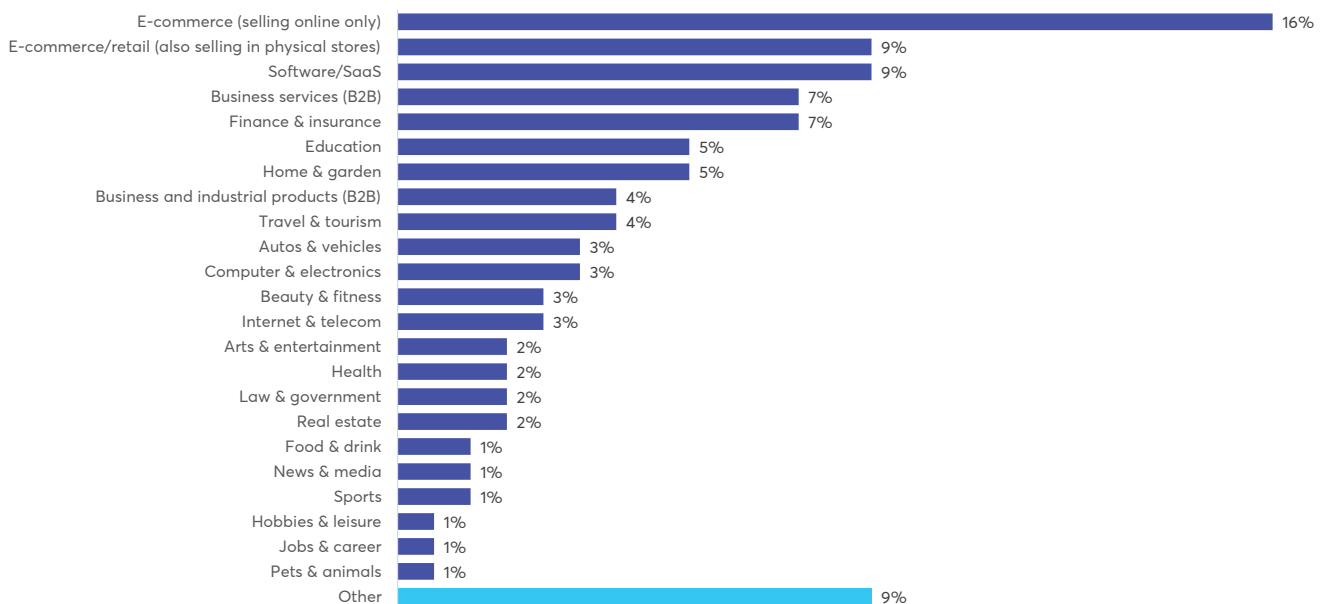


From our 152 advertiser-side respondents, nearly nine out of ten manage PPC in-house.

This isn't representative for all advertisers out there, as plenty (if not most) of them hire agencies or freelancers to manage their PPC campaigns. However, too few advertisers that hire agencies filled out our survey to justify a deep dive into their answers. We hope to cover this important audience in future editions.

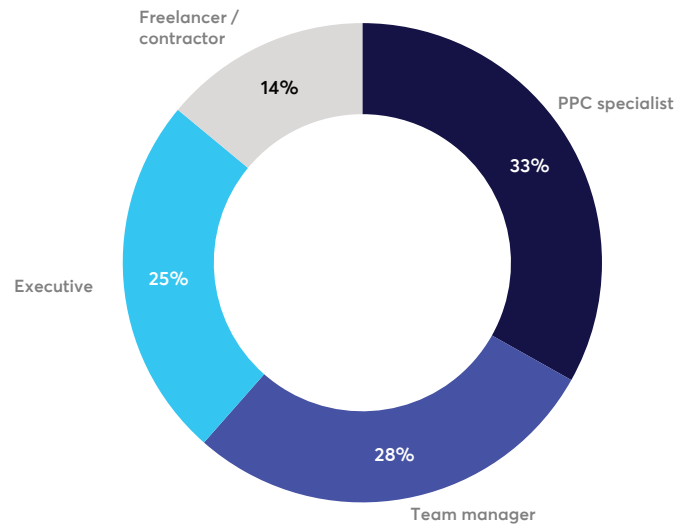
## 2.5 Advertiser industry

Our advertiser respondents work in the following industries:



We split out e-commerce into pure players (selling online only) and retail players that also have physical stores. Together, they represent 25% of our advertisers. Other well-represented industries were software, business services, and finance & insurance. The industries mentioned most often in "Other" were healthcare, online marketplaces, energy, and utilities.

## 2.6 Role



We were happy to see a nicely balanced distribution of different roles in our survey. One in three respondents work as PPC specialists and 14% work as freelancers, making a nearly 50/50 distribution between individual contributors and management roles in this survey.

## 2.7 What they care about

Regardless of company type and role, we asked all respondents the following open-ended question: *"What part of your work is most satisfying?"*

461 participants answered this question. We tagged all their answers based on key themes to create the following word cloud:



It may come as no surprise that PPC professionals are in it for the results: 62% mentioned something result-related in their answers, nearly 8x the frequency of the shared second spot for "Strategy" and "Analysis."

We'll provide some more context on the most popular themes in the table below.

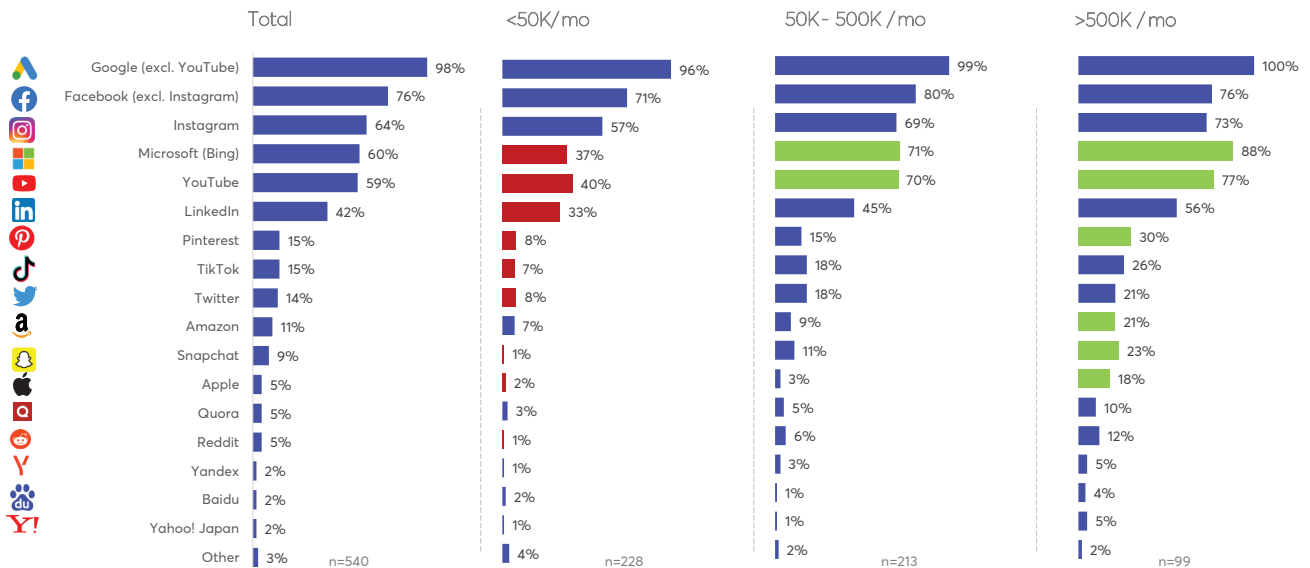
Theme	Examples of what participants mean
Results (62%)	Seeing the results of one's work; hitting or exceeding targets; realizing profitable growth; improving account performance
Strategy (8%)	Creating a strategy; gaining an edge over the competition; developing a plan
Analysis (8%)	Extracting actionable insights from the data; finding opportunities; discovering trends
Relationship (5%)	Making clients happy; building relationships with clients and colleagues; getting positive feedback and appreciation
Innovation & Experimentation (5%)	Running experiments; automation; machine learning; testing the newest features & ad formats
Optimization (4%)	Working on accounts to improve the results
Onboarding (4%)	New clients; setting up an account from scratch
Consultancy (3%)	Figuring out the problem; troubleshooting; recommending solutions for business problems
Purpose (3%)	Help selling a product or service that improves people's lives; working for charities and non-profits; helping small businesses succeed; working for brands they believe in.
Coaching (2%)	Helping people achieve their goals; developing a team
Creativity (2%)	Copywriting; design; creating content
Reporting (2%)	The storytelling that goes along with the reporting, especially when the results are positive.

Later in this report, we'll share similar data for our participants' greatest frustrations, and we'll split it out for agencies and advertisers.



# 3. Ad platform adoption and spend

## 3.1 Ad platform adoption



For the overview above, we asked our participants "On which platforms are you (or is your team) currently running PPC campaigns?"

We didn't ask for the distribution of spend across these platforms, so the percentages in the chart above simply indicate how often a platform was part of the advertising mix, not necessarily the relative spend on that platform. To learn more about the spend on the main networks, we've created a table at the end of this chapter.

As expected, Google and Facebook are number one and two on the list. But the advertising mix becomes more interesting when segmenting it by monthly spend under management. The graph's red and green color coding means these differences are statistically significant.

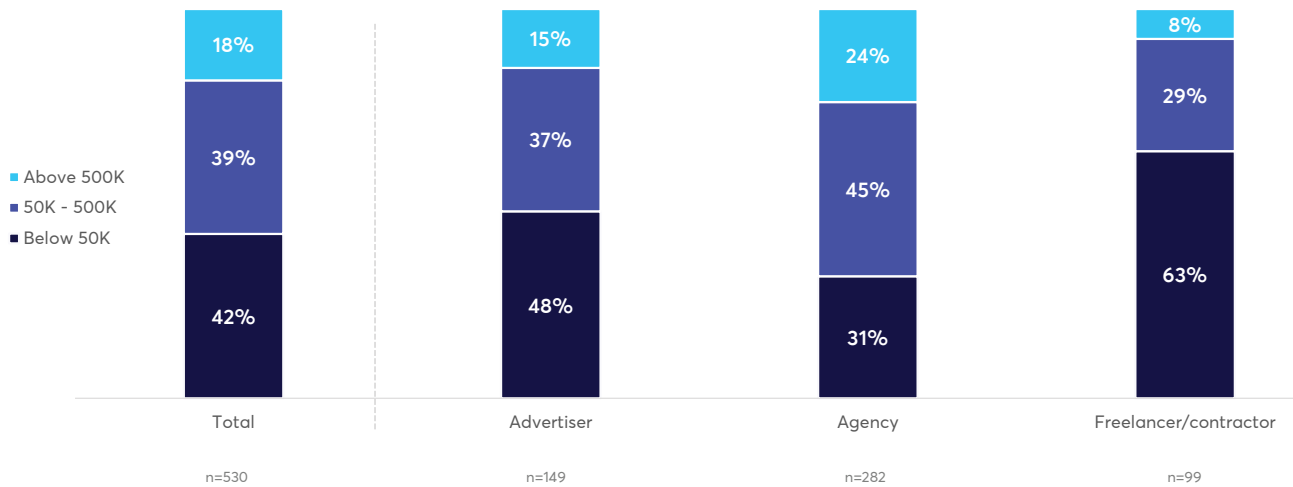
When the monthly spend is less than 50K (USD or EUR) a month, we see that the following platforms are used significantly less: Microsoft, YouTube, LinkedIn, Pinterest, TikTok, Twitter, Snapchat, Apple, and Reddit.

With lower budgets, advertisers (and their agencies) appear to play it safe by mostly focusing on Google, Facebook, and Instagram. Interestingly enough, this lower budget doesn't seem to impact the spend on Amazon Ads in a significant way.

When the monthly spend is between 50K and 500K a month, we see a significant increase in adoption on Microsoft and YouTube. Apparently, these are the first platforms used more when there's more budget available.

Finally, once there's more than 500K of monthly budget for PPC, platform adoption goes up across the board. What's especially noteworthy is that Microsoft takes the second spot within these large budgets (88%) and YouTube even beats Facebook, but barely.

## 3.2 Monthly spend by company type



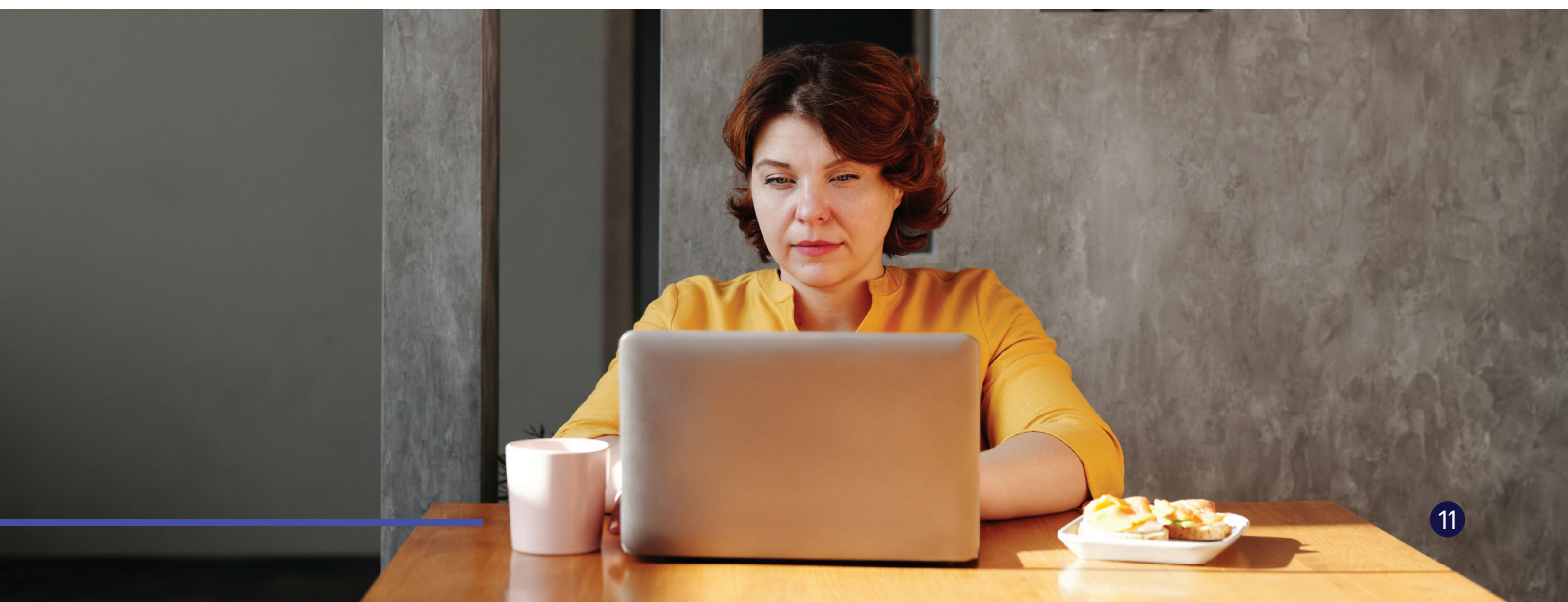
Based on our source data with more refined spend levels we see that:

- ◆ 48% of advertisers spend less than \$50K/month, 37% spend between \$50K and \$500K, and just 2% spend more than \$3M/month on PPC.
- ◆ For agencies, there's an even distribution for all monthly spend levels between \$15K and \$500K. Above the \$500K mark, 16% of agencies manage between \$500K and \$3M a month and 8% of agencies manage more than \$3M/month.
- ◆ 85% of freelancers manage less than \$250K/month.

## 3.3 Monthly spend per employee

As we asked for both the team size and the monthly spend under management, we're able to combine these answers to find out how much PPC spend one person manages on average.

In the tables below, we've split this out by company type and the total monthly spend that company manages.



## Advertisers:

Monthly spend level	Avg. number of team members doing PPC	Avg. monthly spend per team member
Less than \$5K	2.0	\$1,250
Between \$5K and \$15K	2.2	\$4,545
Between \$15K and \$50K	2.2	\$14,773
Between \$50K and \$100K	2.8	\$26,786
Between \$100K and \$250K	3.2	\$54,688
Between \$250K and \$500K	5.0	\$75,000
Between \$500K and \$1M	4.7	\$159,574
Between \$1M and \$3M	5.5	\$363,636

## Agencies:

Monthly spend level	Avg. number of team members doing PPC	Avg. monthly spend per team member
Between \$15K and \$50K	3.1	\$10,484
Between \$50K and \$100K	5.0	\$15,000
Between \$100K and \$250K	6.9	\$25,362
Between \$250K and \$500K	8.4	\$44,643
Between \$500K and \$1M	11.6	\$64,655
Between \$1M and \$3M	10.6	\$188,679
Between \$3M and \$5M	16.0	\$250,000
Between \$5M and \$10M	21.7	\$345,622
Between \$10M and \$20M	21.6	\$694,444
More than \$20M	17.6	\$1,420,455



### Takeaways:

- ◆ The efficiency per employee increases dramatically as total monthly spend increases. Economies of scale kick in with larger budgets and teams.
- ◆ Advertiser PPC managers are more efficient than their agency counterparts. This makes a lot of sense, as they have just one brand to manage.
- ◆ For advertisers spending less than \$50K/mo, we're assuming the people managing PPC campaigns have other responsibilities as well that justify the cost of hiring them.
- ◆ Once the total monthly spend exceeds \$1M/mo, each person manages at least \$200K/mo in spend.

## 3.4 Global yearly ad spends

As mentioned, to get a feel for budget distribution across platforms, it's best to investigate the financial reports of the corresponding companies. The table below shows the advertising revenue for 2020 and 2021 on the main ad networks.

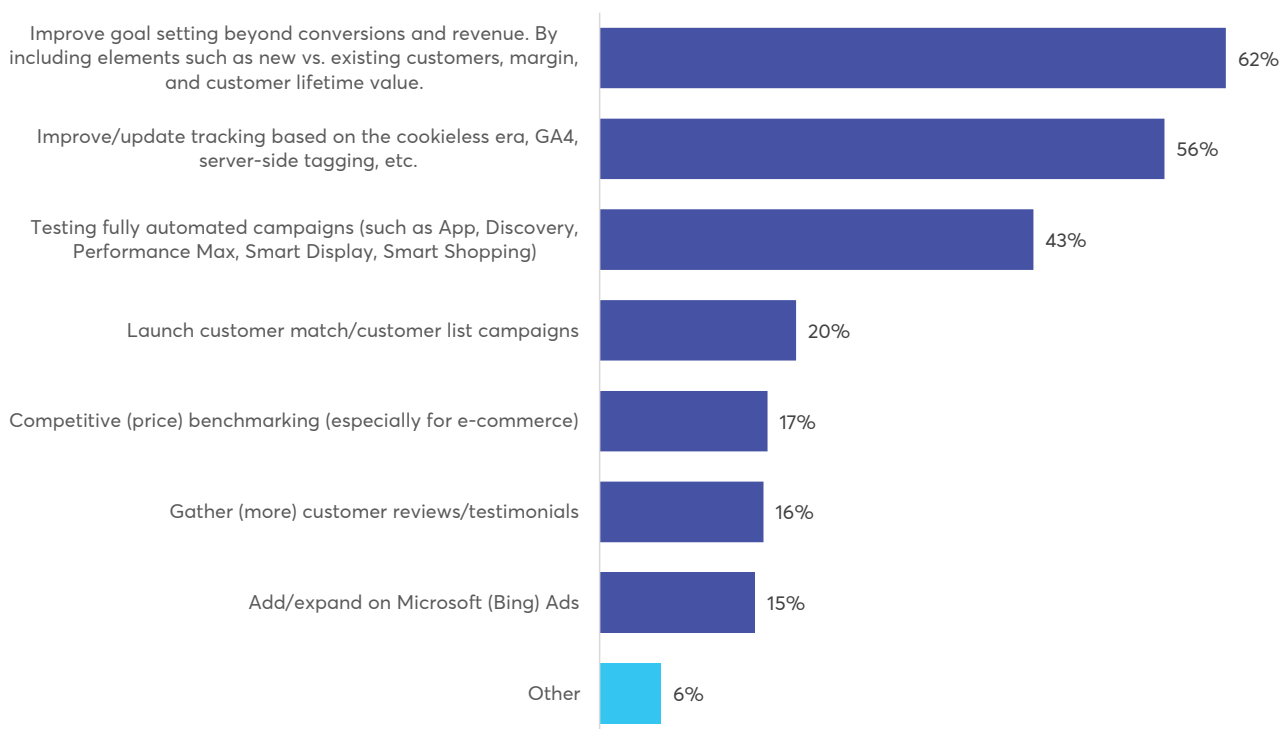
Most companies' yearly growth in ad revenue was more than usual, largely due to the pandemic and the resulting massive boom in online shopping.

Platform	2020 advertising revenue	2021 advertising revenue	Growth
Google <sup>1</sup>	\$146.9B	\$209.5B	43%
Google search & other	\$104.1B	\$149.0B	43%
Google network	\$23.1B	\$31.7B	37%
YouTube ads	\$19.8B	\$28.8B	46%
Facebook & Instagram <sup>2</sup>	\$84.2B	\$114.9B	37%
Amazon <sup>3</sup>	\$19.8B	\$31.2B	58%
Microsoft search <sup>4</sup>	\$7.7B	\$8.5B	10%
Twitter <sup>5</sup>	\$3.2B	\$4.5B	41%

## 4. PPC specialists' priorities and technology

This chapter will share the deep-dive questions we specifically asked the 246 freelancers and PPC specialists in our survey. The specialists worked both agency-side as well as in-house.

### 4.1 Short-term priorities



When asking specialists to select their (clients') top priorities, there were three clear winners for the coming months:

- ◆ Improve goal setting beyond conversions and revenue by including elements such as new vs. existing customers, margin, and customer lifetime value (62%);
- ◆ Improve/update tracking based on the cookieless era, GA4, server-side tagging, etc. (56%); and
- ◆ Testing fully automated campaigns (such as Performance Max, Smart Display, App campaigns, Discovery campaigns) (43%).

The foundations of optimal measurement and goal setting remain a top priority. As we'll see later in this report, most campaigns are still steered on efficiency metrics like ROAS and CPA, not on profit-based metrics. This means that many advertisers and agencies still have a lot of work to do when it comes to measuring the added value their campaigns deliver.

## 4.2 Adoption of Google Ads automations

We asked the PPC specialists about their usage and satisfaction for 13 different automation options in Google Ads (most of them are also available in Bing Ads).

First, let's start with the adoption of different automation options:



The following automated features achieved 90%+ adoption:

1. **Responsive Search Ads** had a 97% adoption rate. This makes sense, as it will be the only text ad format you'll be able to create and edit from June 30, 2022.
2. **Smart bidding based on target CPA** (or maximize conversions) had a 95% adoption rate. Both advertisers and agencies are getting increasingly comfortable with Smart Bidding, as results have significantly improved over the years.
3. **The recommendations tab** had a 91% adoption rate. Google's recommendations are pretty hard to miss once you're in the ads interface. Satisfaction is a different story, as we'll see below.

When looking at automation with less than 75% adoption, we see that 68% of PPC specialists use scripts. While that is a majority, it also means that nearly one in three specialists aren't using any scripts.

With 400 free scripts available online,<sup>6</sup> there should be something for everyone to copy, paste, and adjust to their needs.

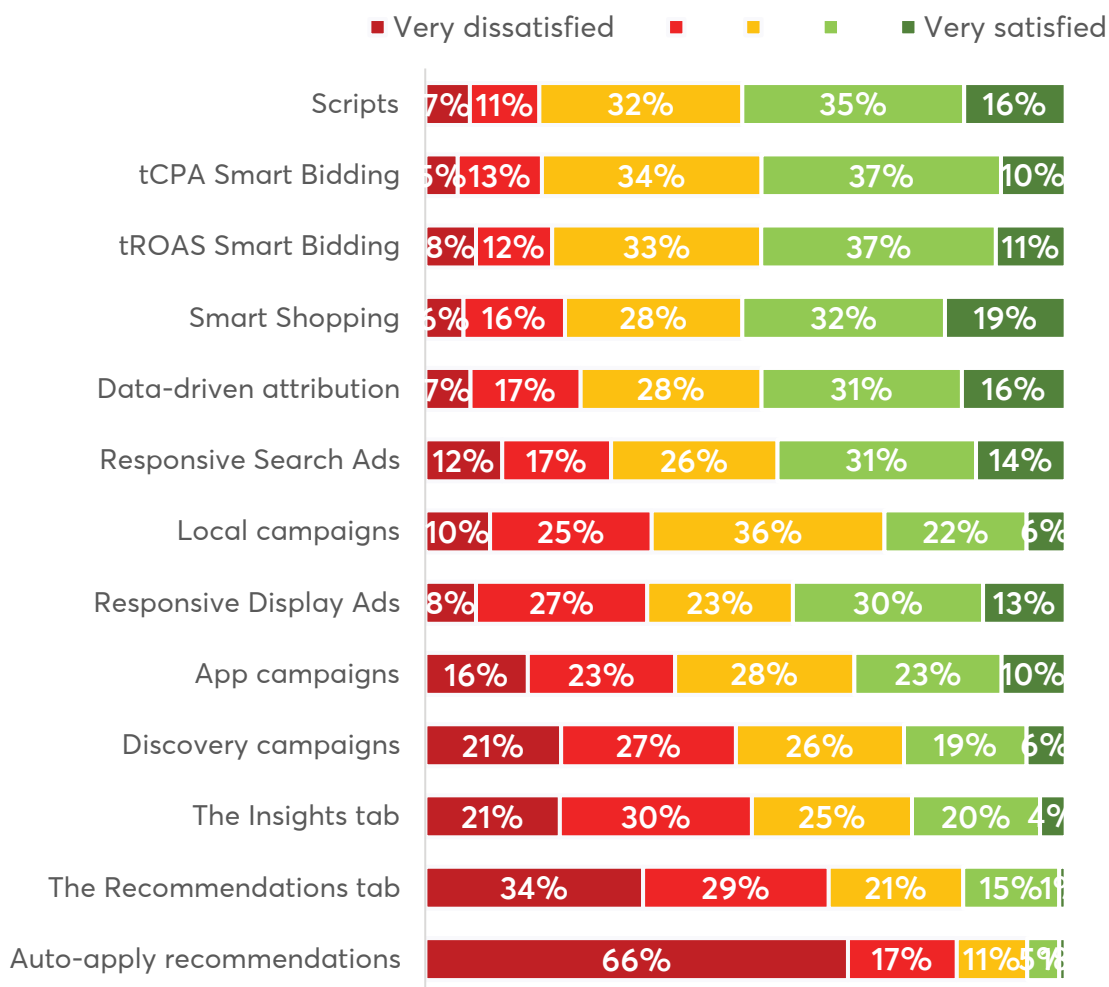
Other automation options with lower adoption rates are:

- ◆ Smart Shopping (65%). It's probably much higher for specialists managing retail campaigns. For specialists managing non-retail accounts only, Shopping simply isn't possible.
- ◆ Discovery campaigns (63%). This is a rather new campaign type with mixed reviews so far, so it makes sense that it isn't widely adopted yet.
- ◆ Local and app campaigns are expected to score low, as they aren't relevant for many advertisers.

## 4.3 Satisfaction of Google Ads automations

For each of the automation options from the previous paragraph, we asked specialists how satisfied they were with using them.

Below, they're ranked from the lowest dissatisfaction score to the highest.



We chose to rank based on "least dissatisfied" as we're seeing a wider spread in those scores, making it a more useful ranking factor. But feel free to read it as "most satisfied."

### **The top 5 automations specialists are most satisfied with:**

- ◆ Scripts and tCPA Smart Bidding share the first spot, with 82% of specialists being satisfied or neutral about them. Thereafter, the rankings are:
- ◆ tROAS Smart Bidding (80%)
- ◆ Smart Shopping (78%)
- ◆ Data-driven attribution (76%)
- ◆ Responsive search ads (71%)

### **The top 5 automations specialists are least satisfied with:**

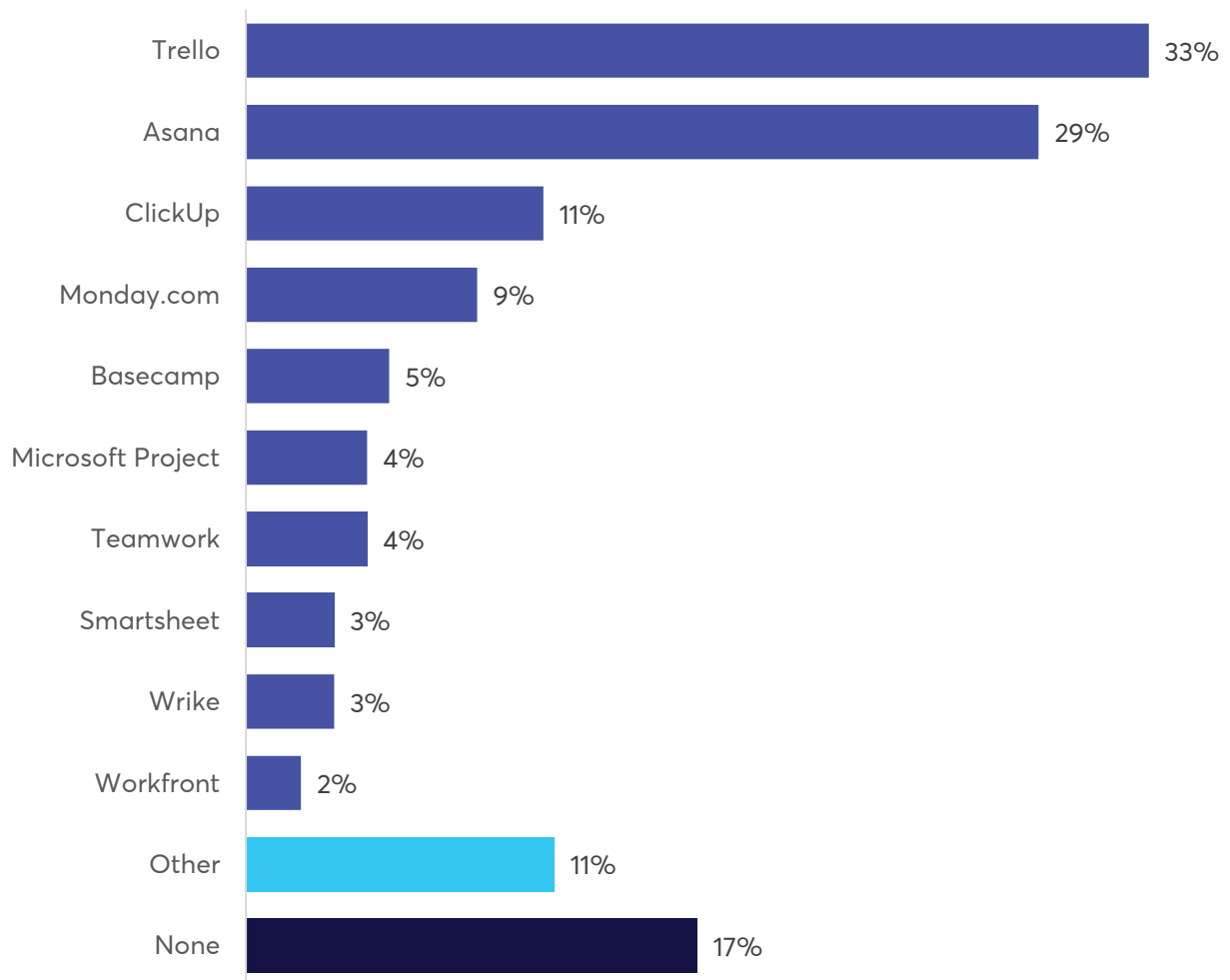
- ◆ Auto-apply recommendations. A whopping 83% of specialists aren't happy with this feature. It looks like they prefer to stay in control or they fear a negative impact on performance.
- ◆ 63% of specialists aren't satisfied with the recommendations tab. Commonly heard complaints are the "one size fits all" approach and the obvious push for smart bidding, broad match, and budget increases.
- ◆ 51% aren't happy with the Insights tab. Although it can show interesting industry trends, the insights aren't always applicable to the accounts.
- ◆ Discovery campaigns disappointed specialists 48% of the time.
- ◆ App campaigns proved to be dissatisfactory for 39% of the specialist participants.



## 4.4 Use of third-party technology

Next to Google's built-in automation, we also asked PPC specialists about the software they're using for things like project management, reporting, optimization, and click fraud.

### Project/task management software



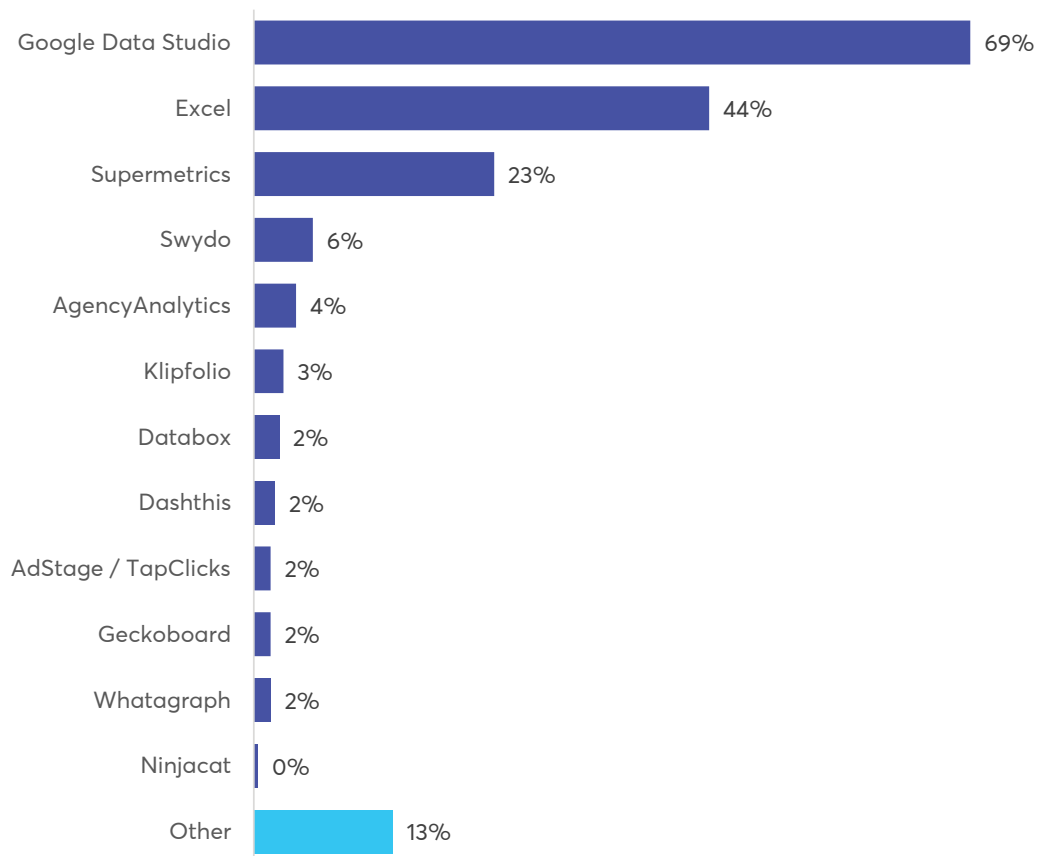
Trello and Asana are the clear winners in this category, especially in the EMEA region, where these two are at least 3x as popular as any of the other options.

In the U.S. and Canada, there's a more even distribution of project management solutions. Trello, Asana, and ClickUp share the first spot in North America, followed by Teamwork, Basecamp, and Microsoft Project, with each being about half as popular.

Often-mentioned apps in "Other" were Jira, Notion, Podio, and Todoist.

Surprisingly enough, 17% of participants aren't using any project or task management software in their work. With all the tasks and projects that come with running PPC campaigns, they're most likely to keep track of this in a spreadsheet.

## Reporting



Being free and versatile, Google Data Studio is the obvious winner in the reporting category, followed by Excel and Supermetrics. We saw Supermetrics being mentioned significantly less (13% vs. the 23% average) when the monthly budget is less than \$50K.

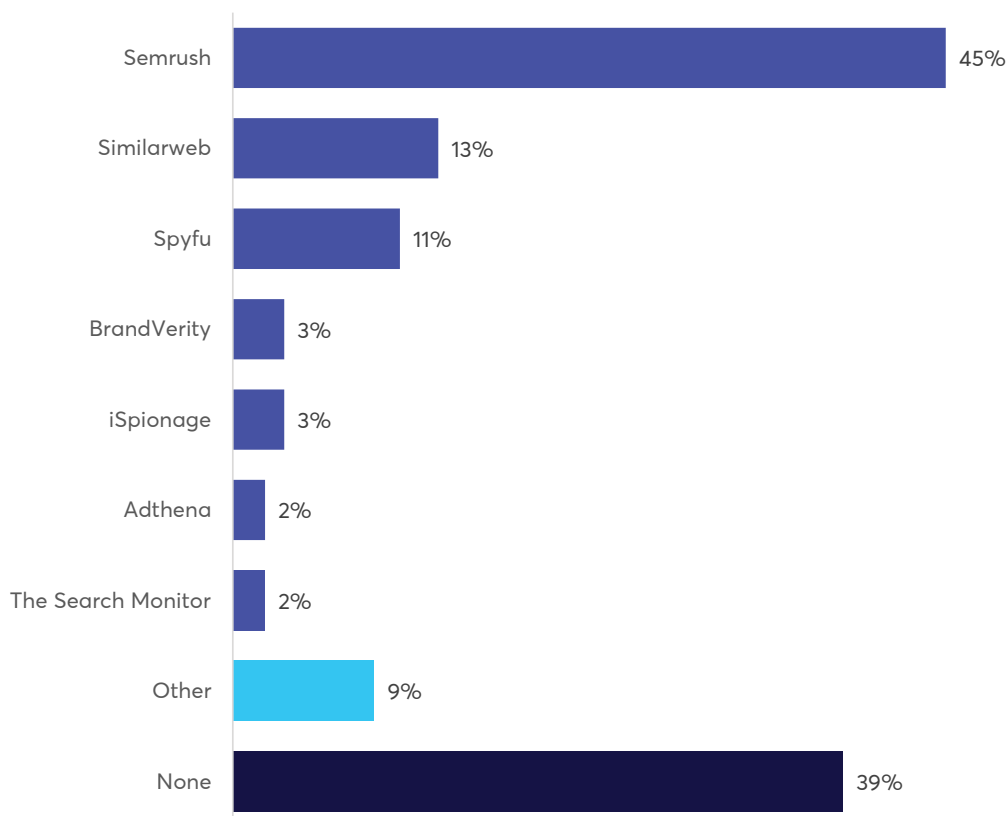
With so many reporting and dashboarding solutions out there, it's surprising to see 44% of specialists are still using Excel for (some of) their reports.

The most often-mentioned solutions in "Other" were Funnel, Google sheets, Looker, Oviond, Reporting Ninja, and Tableau.





## Competitive analysis



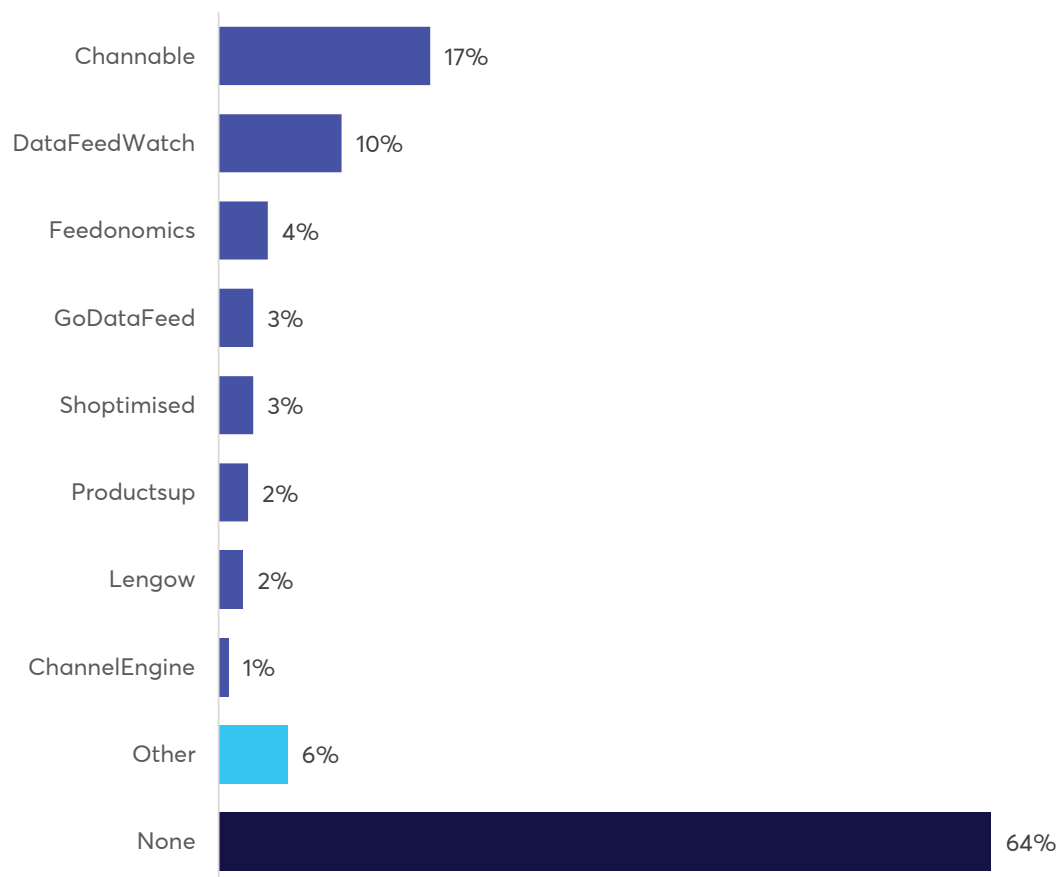
Search giant Semrush tops the list in this category, followed by Similarweb and Spyfu. For Spyfu, we saw a huge difference in usage between EMEA (4%) and North America (37%). This can easily be explained by Spyfu's focus on English-speaking countries.

The most common answers in "Other" were Ahrefs, SE Ranking, and SEO Powersuite, which are SEO tools.

The most surprising statistic is that 39% of specialists are using none of these solutions. This means they have to rely on Auction Insights and regularly "Googling" important keywords for competitive insights. Let's hope they use the ad preview and diagnosis tool.



## Feed management



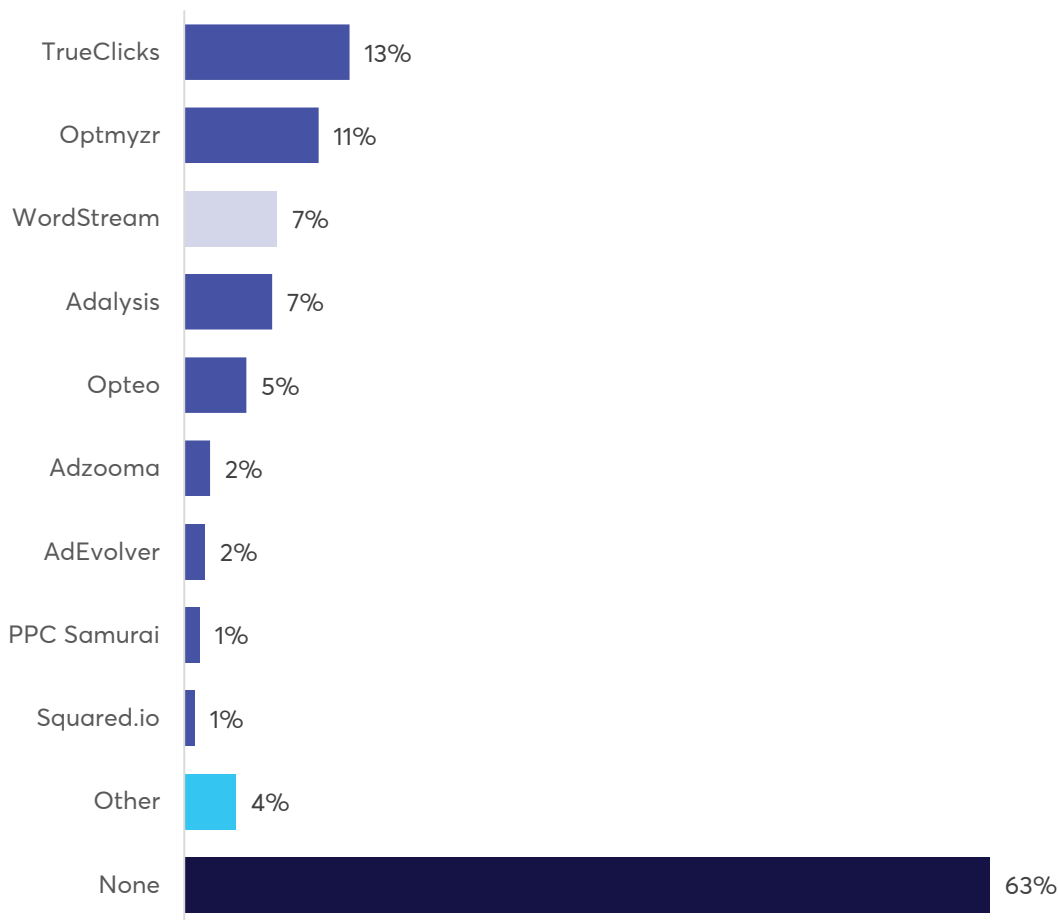
Contrary to the other categories, feed management isn't necessarily part of a PPC specialist's job. But for specialists working for brands doing feed-based advertising, it's a must-have. So we can safely assume most specialists answering "None" simply don't work for such brands.

Channable tops our list, largely due to its popularity in the EMEA region (22%). When looking at North America, we see Channable drop to 2% and the top 3 change to

1. DataFeedWatch
2. GoDataFeed
3. Feedonomics

Interestingly enough, Feedonomics and GoDataFeed are hardly used in EMEA. So, it looks like most leaders are regional in this category.

## Analysis and optimization



We'll be the first to admit the order above may be skewed in the favor of TrueClicks and AdEvolver (still in private beta at the time of the survey), as their users were invited to fill in our survey. We should also note that WordStream has shut down its PPC advisor software as of January 2022.

But again, the most striking statistic here is that 63% of respondents aren't using any third-party software for PPC analysis and optimization.

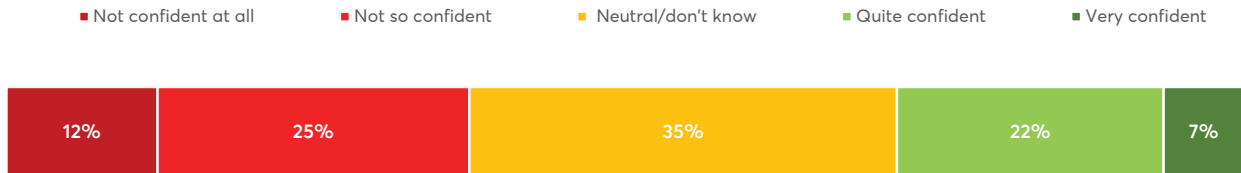
This leaves them with:

- ◆ Google's recommendations. Ironically enough, we saw that 63% of respondents aren't satisfied with those.
- ◆ Manual analysis and optimization.
- ◆ Scripts (used by 68%).

## Click fraud

To get more context for the click fraud category, we first asked

“ How confident are you that Google is able to prevent click fraud in your ads?



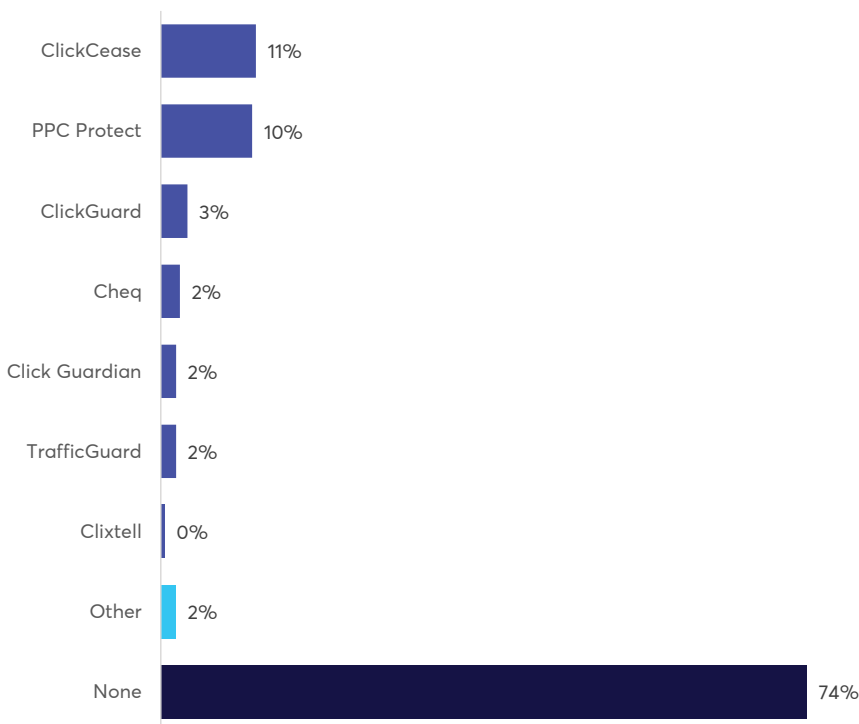
We see an almost perfect 50/50 distribution between being confident and not being confident about this.

If respondents answered “very confident,” we asked no further questions about click fraud solutions.

Interestingly enough, respondents in the EMEA region had the lowest rate for “very confident” (3%), while the rate was 15% in APAC and North America. Apparently, EMEA specialists are less trusting of Google’s click fraud detection.

For all respondents that weren't very confident, we asked

“ Which click fraud prevention solution(s) do you use?

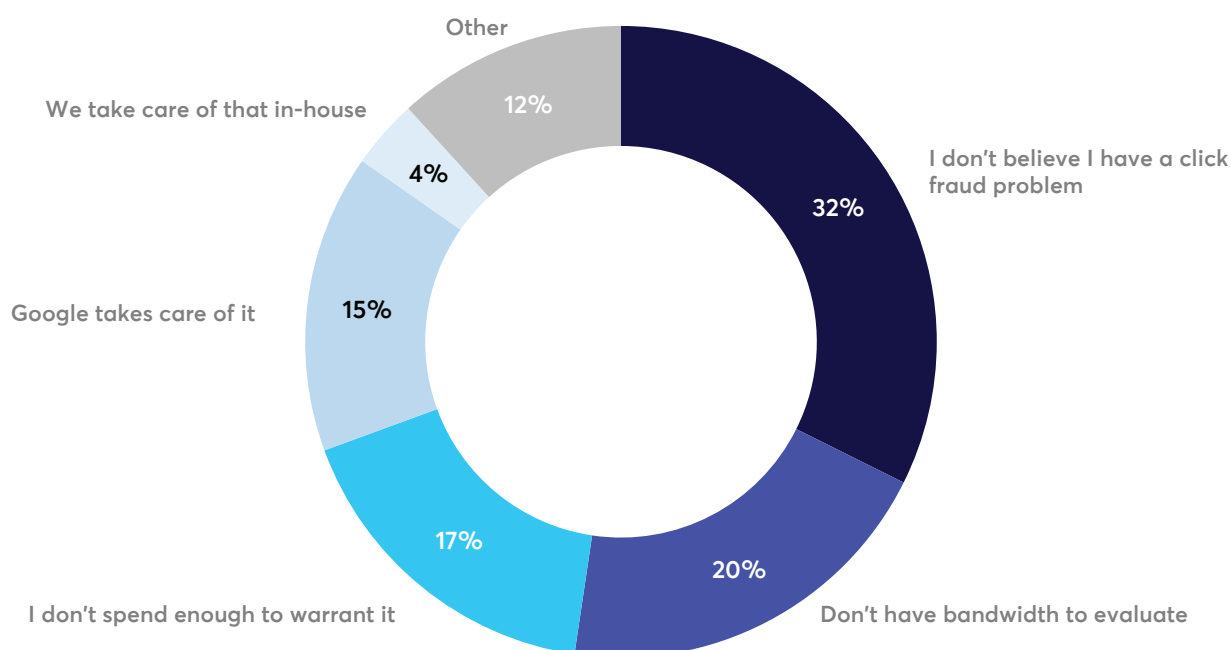


ClickCease and PPC Protect are the leaders here, but we'll admit the results may be skewed in PPC Protect's favor, just as in the previous category.

Also, as with the previous category, the most remarkable result is that 74% aren't using any of these solutions even though they admitted they weren't very confident Google is able to prevent click fraud in their ads.

That's why we asked respondents answering "None" this follow-up question:

“ Could you let us know why you don't use a click fraud prevention solution right now?



The top three reasons why people don't use a click fraud solution are:

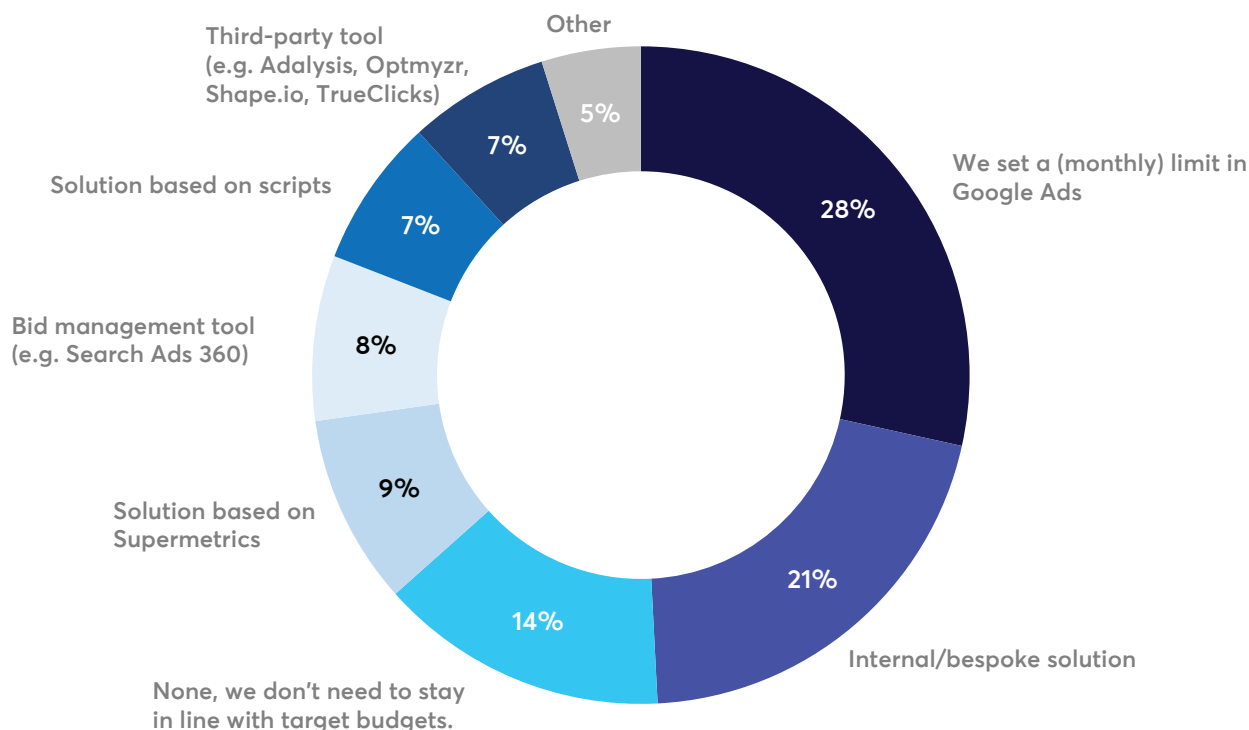
1. They don't believe they have a click fraud problem (32%)
2. They don't have the bandwidth to evaluate (20%)
3. They don't spend enough to warrant it (15%)

The most common answers given in the "Other" category were:

- ◆ Not aware of the problem in the first place
- ◆ Have tried a solution, but it seemed to make little impact
- ◆ Ran into the IP address exclusion limit

## Budget pacing

Having to stick to a target budgets may not be the optimal solution when running profitable PPC campaigns, but it's a reality many specialists live in. 86% to be exact. So, that's why we asked how they're tracking if they're staying in line with their (clients') target budgets.



The top three solutions were:

- ◆ Setting a limit within Google Ads (28%)
- ◆ An internal/bespoke solution (21%)
- ◆ A solution based on Supermetrics (9%)

Setting a limit in Google Ads may prevent you from overspending, but it won't necessarily provide pacing insights during your budget period. And without these insights, you still risk running out of a monthly budget a week before the month is over.

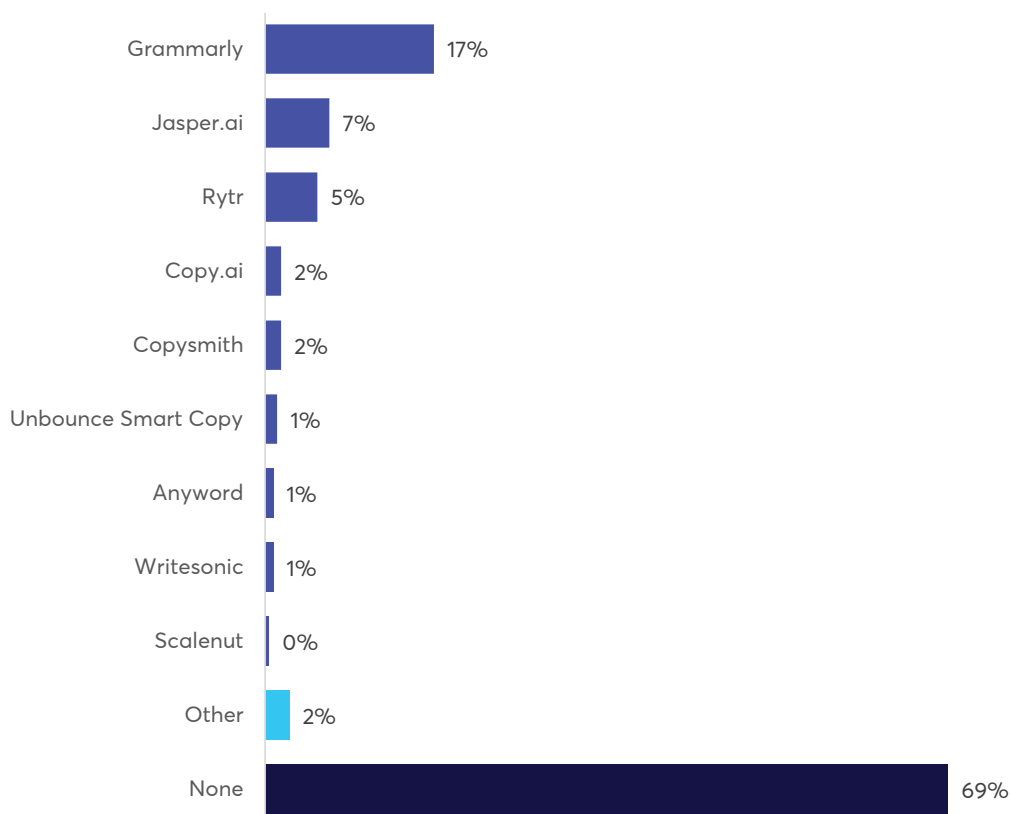
The most common "Other" answers were using Excel and checking manually, which are probably the two most time-consuming ways of checking budgets.

## AI writing assistants

As marketers, writing may be the most important thing we do: writing ads to convince your audience to click on them, writing landing page copy to influence buying decisions, writing emails to explain results to your manager or client, and so forth.

This was always considered to be the part of our job that couldn't be automated. However, with the rise of machine learning and GPT-3 in particular, software can now

assist humans by helping them make fewer mistakes, write more clearly, be more persuasive, and brainstorm ideas.



Grammarly is the clear winner with 17% adoption among PPC specialists (32% in North America). While it may not make you more creative and persuasive, it sure helps make your English clear and significantly reduces the number of mistakes.

The other solutions from the chart above are based on GPT-3 and within those options, Jasper.ai (previously Jarvis.ai / Conversion.ai) is the leader.

Again, the most remarkable figure here is that 69% of respondents aren't using any of the writing assistants (51% in North America). One reason could be they're not writing much in English, and these assistants are most powerful for the English language. But it could also be they're simply not aware of this relatively new category, or don't believe they need such a solution.



## 4.5 Time-consuming activities

Finally, we asked specialists "Which activities are still costing you too much time and would you love to (partly) automate?".



As we did with the most satisfying parts of our respondents' jobs, let's share some context for the most time-consuming activities:

Activity	Examples
Search query mining (21%)	Search query mining to find new keywords (both positive and negative keywords); N-gram analysis
Reporting (19%)	Monthly reporting across platforms; combining different data sources; setting up dashboards
Writing ads (14%)	Writing and updating ads to keep them relevant; resubmitting disapproved ads
Budget management (10%)	Budget pacing; adjusting budgets to stay on track
Campaign creation (9%)	Building new campaigns and ad groups
Ad testing (7%)	Finding out which RSA headline combinations perform best; creative testing

## Takeaways

With the exception of project management and reporting, anywhere between 39% and 74% of PPC specialists aren't using any form of dedicated technology to assist them with key aspects of their jobs.

At the same time, when asked what they're spending too much time on, we're seeing tasks such as query mining, reporting, and budget management come up. These tasks can largely be automated with the right solutions.

One reason for not using more dedicated technology could be an unwillingness from management to invest in these "nice-to-haves," as their team seems to be doing fine without them.

However, not having the right tools for the job has become a deal-breaker for an increasing number of employees. As the 2021 State of Work report shows: <sup>7</sup>

- ◆ 32% of workers have quit a job because workplace tech made their jobs harder. This was 22% pre-COVID-19.
- ◆ 49% of workers say they're likely to leave their current job if they're unhappy or frustrated with workplace tech.

Knowing that most companies struggle with finding and keeping talent, investing in the right "workplace tech" may no longer be an expensive nice-to-have but a profitable must-have, as long as it helps make employees' jobs easier.

## 5. Agencies

This chapter will cover the questions we asked the 388 agency employees and freelancers in our survey. Agencies have a lot of challenges to face these days with the rise of in-house PPC teams, platform automation, and competing for the same talent as advertisers and advertising platforms.

### 5.1 Roles and responsibilities

#### The specialist

We extensively covered the specialist in the previous chapter, so here we'll keep it short by sharing a word cloud showing how an agency or freelance specialist's performance is measured:





The main KPIs agency specialists are being measured on are:

- ◆ Campaign performance (88%). Nearly all agency specialists mentioned that their performance is measured with classic KPIs like ROAS, CPA, conversions, and revenue. Sometimes even conversion rate, CPC, and CTR.
- ◆ Client satisfaction & retention (9%).
- ◆ Other KPIs mentioned were peer feedback (4%), skills (3%), and company results (3%).

Unfortunately, very few specialists mentioned profit-based KPIs. While ROAS and CPA are easy to measure, they're poor substitutes for profit, which is usually the goal. We see the same issue with in-house specialists.

As George Michie told us 12 years ago, "You don't put percentages in the bank."<sup>8</sup> More recently, Mike Ryan wrote an excellent deep dive<sup>9</sup> on what's wrong with ROAS (a percentage) and how to track alternative goals that are closer to profit.

## The team manager

For the team manager, we first asked what they consider to be their most important responsibilities:



Again, let's provide some background on the responsibilities most often mentioned:

Responsibility	Examples
Coaching (25%)	Team management; develop, empower, and guide the team
Campaign performance (23%)	Overall client performance; making sure the team is achieving the agreed targets within budget/time
Quality assurance (20%)	Ensuring quality and consistency across accounts; preventing mistakes (or catching them early)
Client satisfaction & retention (17%)	Keeping clients informed and happy; managing the client relationship
Training & education (17%)	Knowledge development of the team
Strategy (11%)	Creating (cross-channel) client strategies; share the team vision
Team satisfaction (10%)	Keep the team satisfied and happy; team mental health

Then, we asked how their performance was measured:

Client growth

Client satisfaction & retention

**Campaign performance**

Company results (growth, revenue, profit)

While coaching was the most-often mentioned responsibility, none of the team manager KPIs are about team development and satisfaction; instead, these are their performance indicators:

- ◆ Campaign performance (67%)
- ◆ Company results (growth, revenue, profit) (31%)
- ◆ Client satisfaction & retention (28%)
- ◆ Client growth (8%)

## The executive (director/VP/CxO/owner)

For the most senior roles in agencies, we didn't ask how their performance was measured but what they consider their most important responsibilities.



Once more, let's provide some context for the responsibilities most often mentioned:

Responsibility	Examples
Company results (growth, revenue, profit) (29%)	Client acquisition; growing the agency
Client satisfaction & retention (23%)	Keeping clients happy; making sure clients get the best possible service
Coaching (18%)	Mentoring; motivating and challenging the team; helping people grow
Strategy (15%)	Provide a strategic view (for clients)
Hiring (12%)	Hiring talent
Innovation (11%)	Evolving the agency offering; keeping up with the latest developments
Quality assurance (10%)	Ensuring consistent quality across clients; Having proper processes and workflows
Employee satisfaction (9%)	Keeping the team happy; retaining talent

## 5.2 Common agency frustrations

336 of our agency and freelancer audience answered our open-ended question "What part of your work is most frustrating?". The word cloud below shows the most common themes we found in their answers:



Just as with the most satisfying parts of the job in this report, the table below provides some context on the most popular themes.:

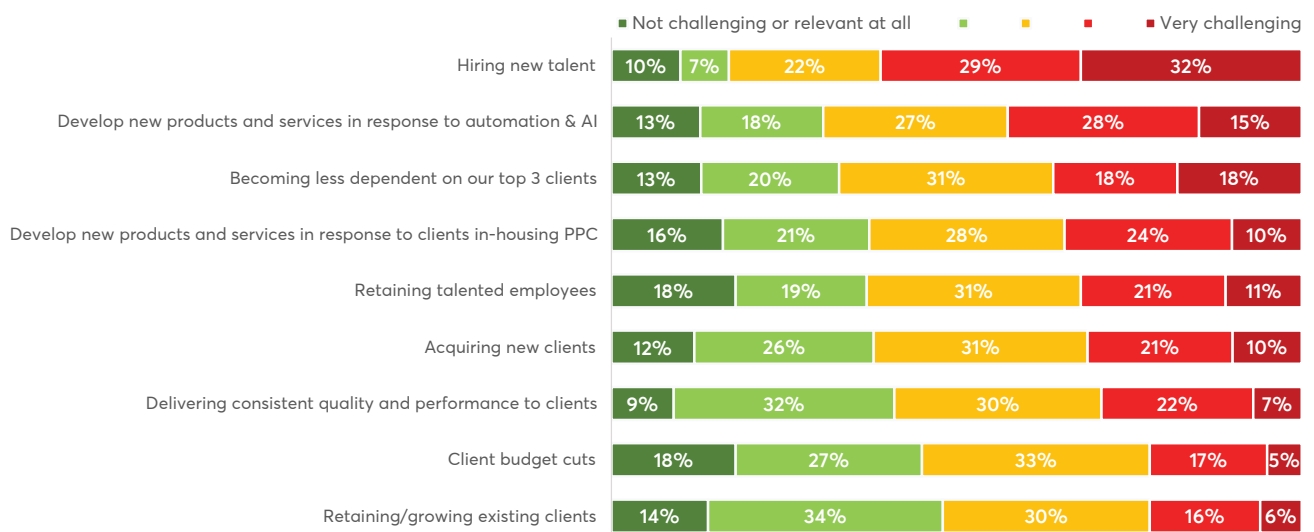
Responsibility	Examples
Client issues (18%)	Unrealistic client expectations; clients not cooperating (e.g. not improving their websites); unappreciative clients; conflicting demands from clients; clients that are over-communicating
Ad platforms (16%)	Platform interfaces being slow and buggy; poor support from the platforms; continuous changes made by the platforms
Poor performance (10%)	Especially when there's no clear reason to explain the poor performance; talking to clients about poor performance; losing clients
Reporting (9%)	Too much time spent on creating/writing the reports
Tracking & data issues (9%)	Conversion tracking issues; suboptimal attribution models; gaps between what's measured and the actual data
Decreased control/transparency (7%)	Lack of transparency ("black box") in automated campaigns & bidding; keywords matching on irrelevant "close variants"
Repetitive/manual tasks (7%)	Manual data entry; adding negatives; keyword research
Adverse conditions (5%)	Politics; bureaucracy; not having the necessary information and tools; slow decision making

Anyone who has worked at an agency will recognize the frustrations shown above. We may not control how some clients behave or how ad platforms develop, but agencies can try to prevent some of these common frustrations as follows:

- ◆ Be selective in the clients you work for and manage expectations. Fire the ones that are too difficult to work with.
- ◆ Save time on repetitive tasks, reporting, and slow ad platforms with dedicated (third-party) solutions.
- ◆ Hire experts to implement optimal tracking for each client and make this a prerequisite for each collaboration.
- ◆ Have processes and systems in place for efficient communication and decision-making.

## 5.3 Biggest challenges

We asked our agency participants to rate each of the common challenges below from not challenging at all to very challenging:



Hiring new talent appears to be the biggest challenge agencies currently face, with 61% of respondents rating this as (very) challenging.



As we all know, this problem isn't unique to agencies; job openings are reaching record highs in many industries right now. This forces all employers to rethink how to attract talent in a super tight job market.

The other most common challenges agencies face are:

- ◆ Developing new products and services in response to automation & AI (43%).

For agencies experiencing this challenge, we wholeheartedly recommend Patrick Gilbert's groundbreaking book "Join or Die: Digital Advertising in the Age of Automation."<sup>10</sup> It goes into great detail regarding how his agency (Adventure Media) thrived by embracing automation.

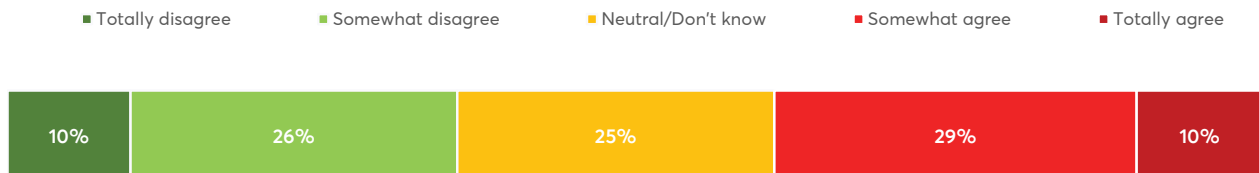
- ◆ Becoming less dependent on the top 3 clients (36%).
- ◆ Developing products and services in response to clients in-housing PPC (34%).

Client budget cuts and retaining clients are considered challenging by less than 25% of our agency respondents.



## 5.4 Demonstrating added value to clients

Another common challenge for many agencies is to continuously demonstrate their added value to their clients. To gauge how challenging this currently is, we asked our respondents if they agreed with the following statement: *"It is increasingly challenging to demonstrate our added value to clients."*

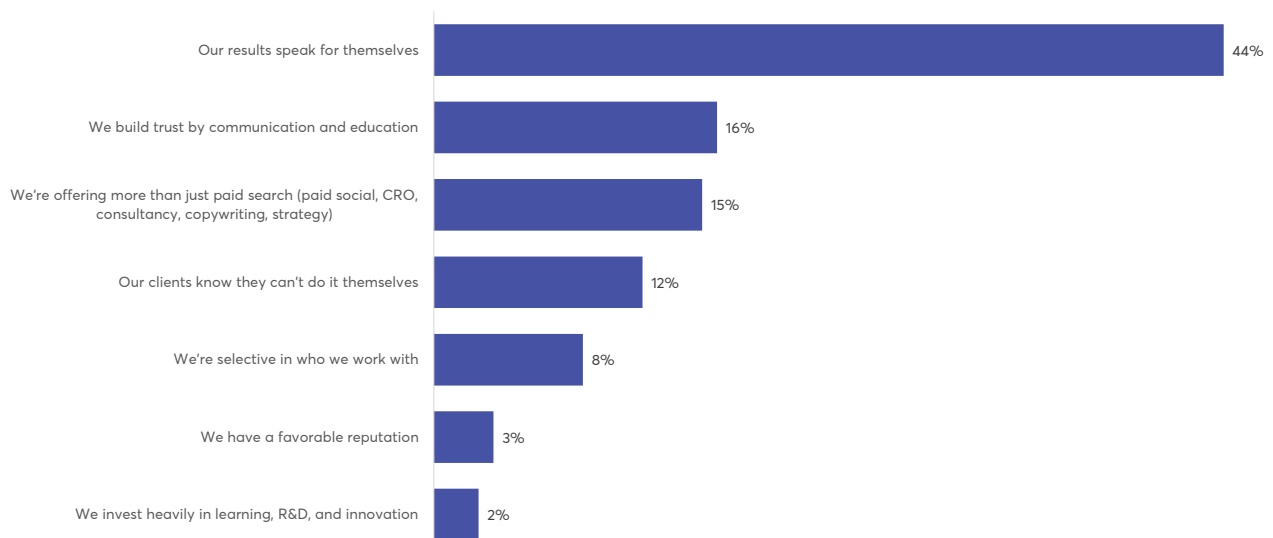


We see an almost even distribution of agencies agreeing (39%) and disagreeing (36%) with this statement.

That's why we asked an open-ended follow-up question, asking them to elaborate a bit on why they agreed or disagreed.

### Why agencies don't find this challenging

For agencies that don't find it challenging to demonstrate their added value, these were the most common reasons:

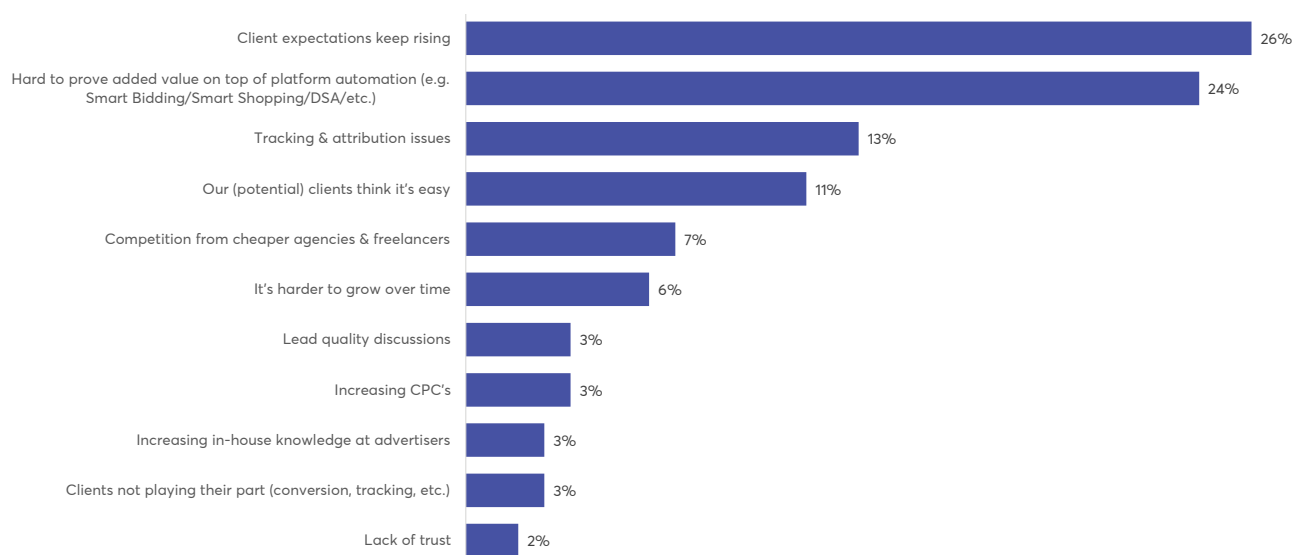


The primary way agencies demonstrate their added value is simply by letting the results speak for themselves (44%). Next to that, we see the following value propositions that ensured added value to clients:

- ◆ Building trust by communication and education
- ◆ Offering more than just paid search
- ◆ Having clients that know they can't do it themselves
- ◆ Being selective in which clients they work with

## Why agencies find this challenging

For agencies that agreed with the statement, these were their top reasons:



The primary reason mentioned is that client expectations keep rising (26% overall and 54% in North America), closely followed by it being hard to prove value on top of well-performing automated campaigns (24%).

In the rest of the list, we see a few of the frustrations return, like tracking and attribution issues, clients thinking it's easy, clients not playing their part, and a lack of trust.

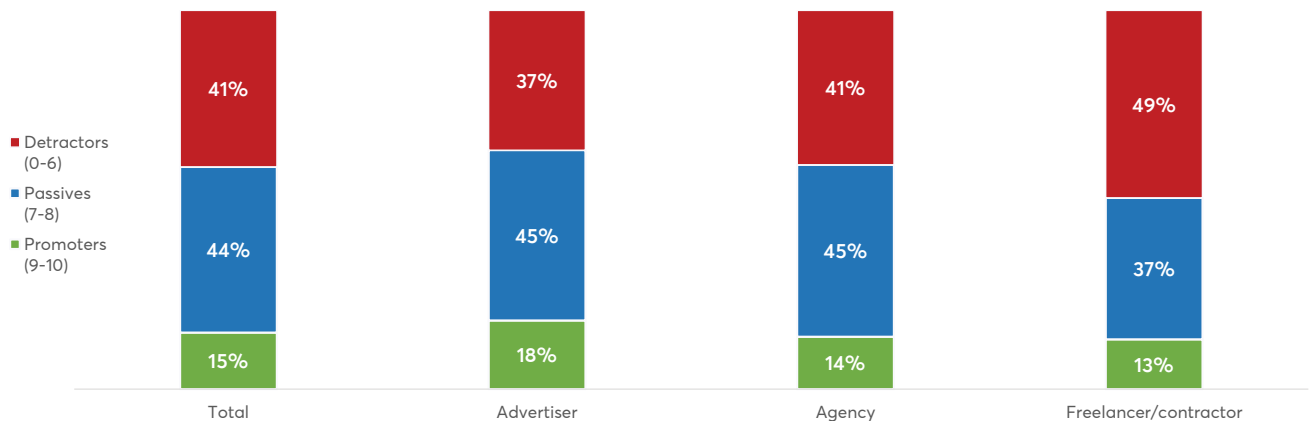
There's also the simple fact that it's harder to grow over time; quite a few agencies mentioned that they can have a great positive impact in the first months, but it's impossible to keep showing double-digit improvements over time.



## 5.5 Scoring the Optiscore

As having a minimum 70% optimization score is one of the requirements to earn a Google Partner badge nowadays,<sup>11</sup> we wanted to know how much value our respondents place in having a high OptiScore in Google Ads.

They could rate this value from 0 to 10, so we decided to turn the results into an NPS score and segment it by advertiser, agency, and freelancer:



For all our respondents, the distribution is as follows:

- ◆ 15% value a high Optiscore with a 9 or 10 (Promoters)
- ◆ 44% value it with 7 or 8 (Passives)
- ◆ 41% value it from 0 to 6 (Detractors)

This generates a Net Promoter Score of -26. We acknowledge that we didn't ask the original NPS question (likelihood to recommend), but it paints a picture of how people currently value the optimization score in Google Ads.

We see some slight differences between advertisers, agencies, and freelancers, but these aren't significant.

It's safe to say that having a high Optiscore isn't the most important thing in the world for most PPC practitioners. Meanwhile, reaching the required 70% doesn't appear to be an issue for most agencies so far.<sup>12</sup>

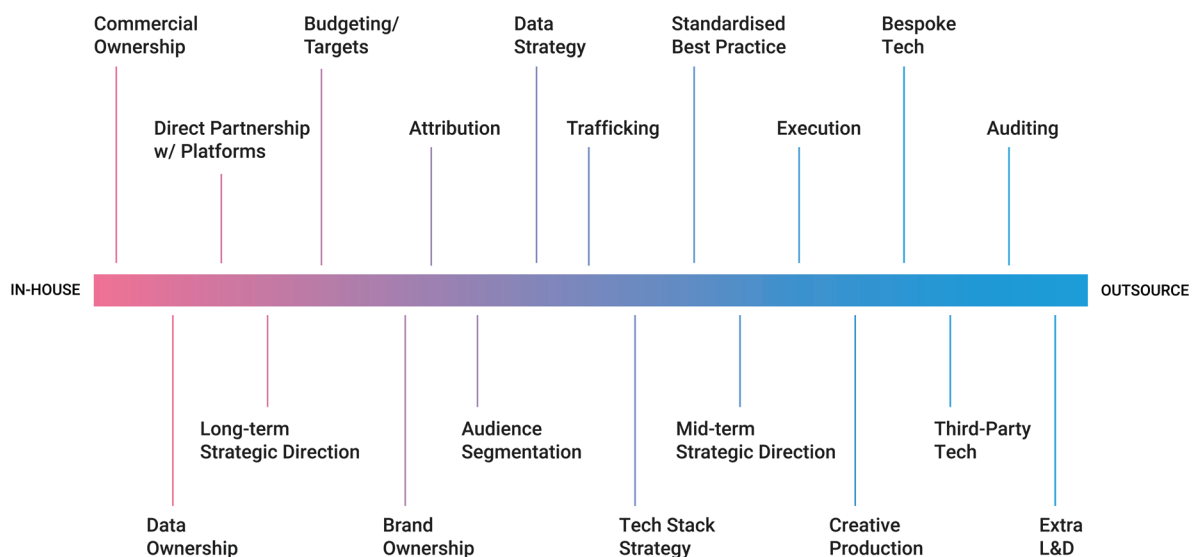
## 5.6 Services for in-house teams

Three years ago, a survey by Marketing Land showed “Clients moving agency services in-house” as the number one challenge facing digital agencies.<sup>13</sup>

Also three years ago, Daniel Gilbert from Brainlabs wrote a fantastic article<sup>14</sup> about the anatomy of in-housing.

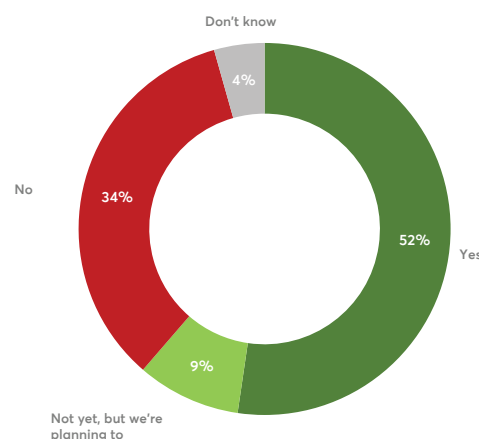
To quote Daniel: “We have to think of in-housing as a spectrum. On one side of it, we have the parts of biddable media that must absolutely be owned in-house, such as contractual relationships. On the other side, there are services that should always be supported or owned by agencies. Then we’ve got everything in-between, the activities that can be owned in-house or not, depending on the goals of the company.”

### The Anatomy of In-Housing



To find out how many agencies are adapting to this new reality, we asked our respondents “Do you offer services (or products) to brands that do PPC in-house?”.

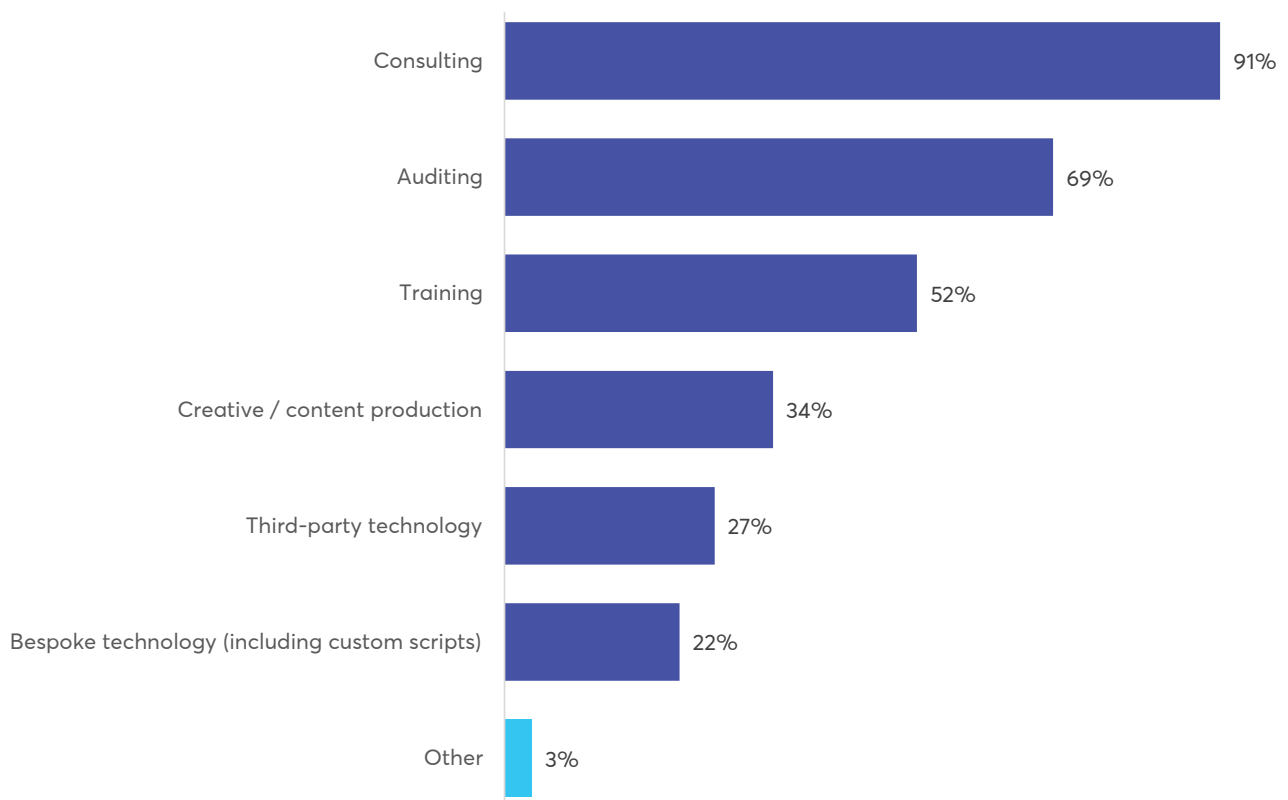
More than half of the agency and freelancer respondents confirm they’re offering products or services specifically to in-house teams, and another 9% are planning to.



When splitting out agencies and freelancers, we see:

- ◆ 58% of agencies offering in-house services
- ◆ 38% of freelancers offering these services

For agencies and freelancers that answered "yes," we asked a follow-up question to let them select the services they offer in-house teams.



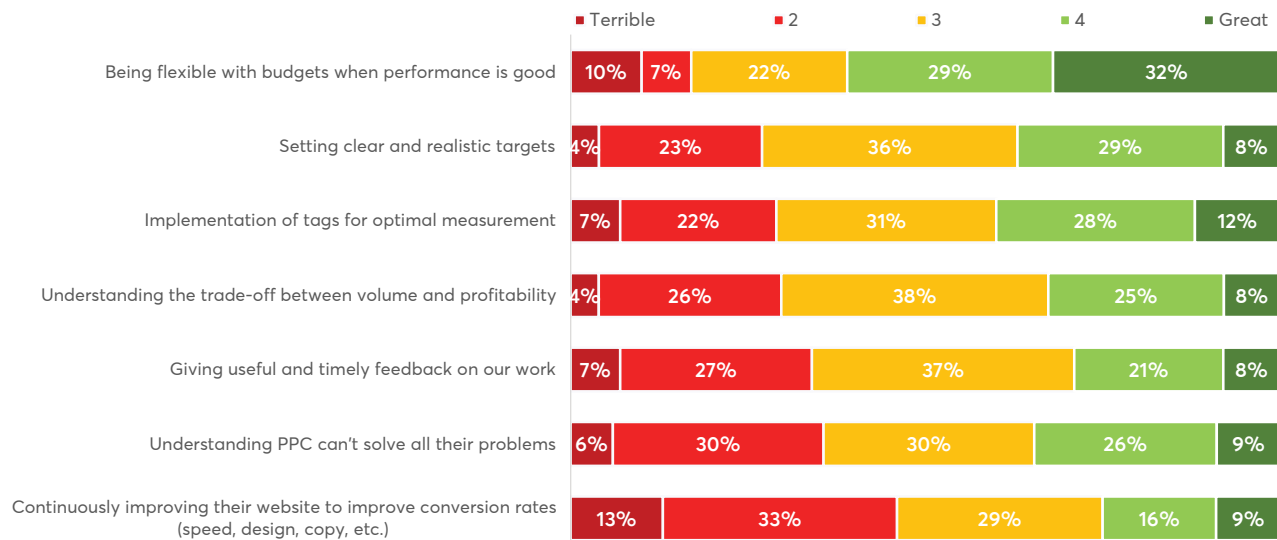
The top three services stand out:

- ◆ Consulting (91%);
- ◆ Auditing (69%); and
- ◆ Training (52%). There was a significant difference between EMEA (64%) and North America (24%) for offering training to in-house teams.

We see the services offered nicely overlap with the right-hand side of the spectrum from Brainlabs. For the 34% of agencies that don't (plan to) offer such services, they could be missing out on a way to make themselves more future-proof.

## 5.7 Client strengths and weaknesses

Advertisers are usually in the position of judging their agencies, and rightly so, as they're paying the bills. But this time, we asked agencies to rate their clients on typical things advertisers are accountable for.



The majority of agencies (58%) are satisfied with clients being flexible with budgets when performance is good.

But for all other advertiser responsibilities, we see satisfaction rates below 50%:

- ◆ Implementation of tags for optimal measurement (40%)
- ◆ Setting clear and realistic targets (37%)
- ◆ Understanding PPC can't solve all their problems (35%)
- ◆ Understanding the trade-off between volume and profitability (33%)
- ◆ Giving useful and timely feedback (29%)
- ◆ Continuously improving their websites to improve conversion rates (25%)

We see some of the earlier frustrations coming back here, like clients not having realistic expectations and not playing their part, especially when it comes to the website.

75% of agencies believe their clients are doing a mediocre job (or worse) at continuously improving their websites to improve conversion rates.

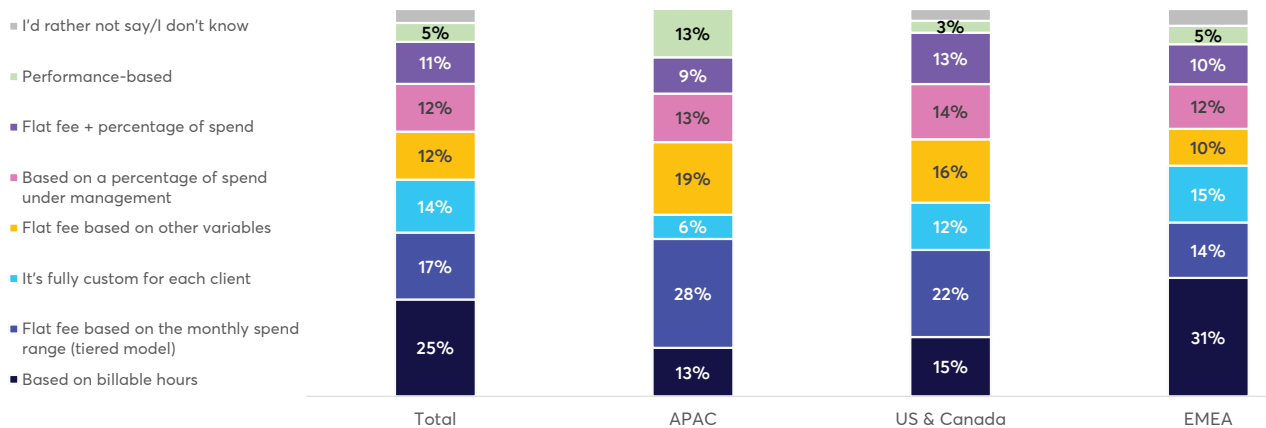
Agencies could solve this by bundling their PPC services with a required tracking implementation and CRO. We also see agencies bundling PPC with creating dedicated landing pages in order to have more control over the conversion process.

Of course, clients would need to allow agencies to perform these on-site activities and agencies need to hire people who can execute them.

## 5.8 Agency pricing models

PPC agency pricing models have always been a hot topic. Which model best aligns the interests of both agencies and advertisers? As you'll see in the graph below, there's a lot of variance in the models used, so there's clearly no consensus yet on "the best model."

If your agency is billing by the hour, we have another book tip; this time, it's a free and short ebook called "Breaking the Time Barrier."<sup>15</sup> It demonstrates the vicious cycle of hourly rates and how to think about value-based pricing instead.



The top three most popular pricing models overall are:

1. Billable hours (25%)
2. Flat fee based on the monthly spend range (17%)
3. Fully custom for each client (14%)

However, when looking at the results for North America, this list looks quite different:

1. Flat fee based on the monthly spend range (22%)
2. Flat fee based on other variables (16%)
3. Based on billable hours (14%)

The hourly rate is used more than twice as much in EMEA compared to North America. This could be a cultural difference, but research from Forrester<sup>16</sup> shows this is likely to change in the coming years.

## From the executive summary:

*More than half of brand respondents are dissatisfied with the cost of their agency roster.*

*This scrutiny of agency value is not unnoticed. Most agency respondents expect to realign compensation more meaningfully with brand objectives.*

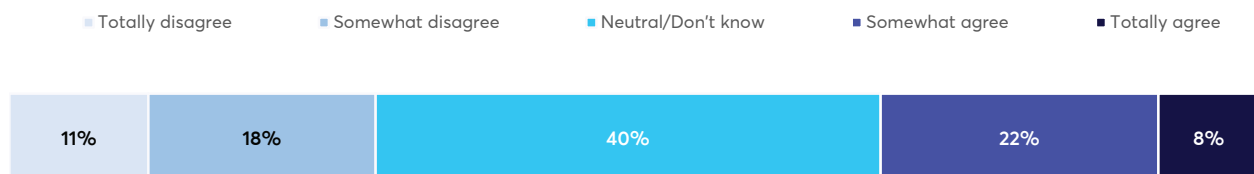
*While project billing models are the most common compensation structure today, agencies and brands expect that to change within the next three years.*

*The two most common expected compensation models in three years are licensing models (e.g., a fee for platforms and software) and performance-based compensations models (e.g., a base fee with a performance bonus for achieving specific results).*

*This reimagining of how agencies are paid is a meaningful evolution of the agency economic model, reflecting a move from paying for people to paying for platforms and performance. Moving forward, CMOs and agencies will explore software as a service, managed service models, and more performance-based compensation.*

We wanted to double-check this finding to see if it applies to PPC agencies in particular. So we asked if our respondents agreed with this statement:

“ We see a trend of clients wanting to pay for performance instead of other pricing models.



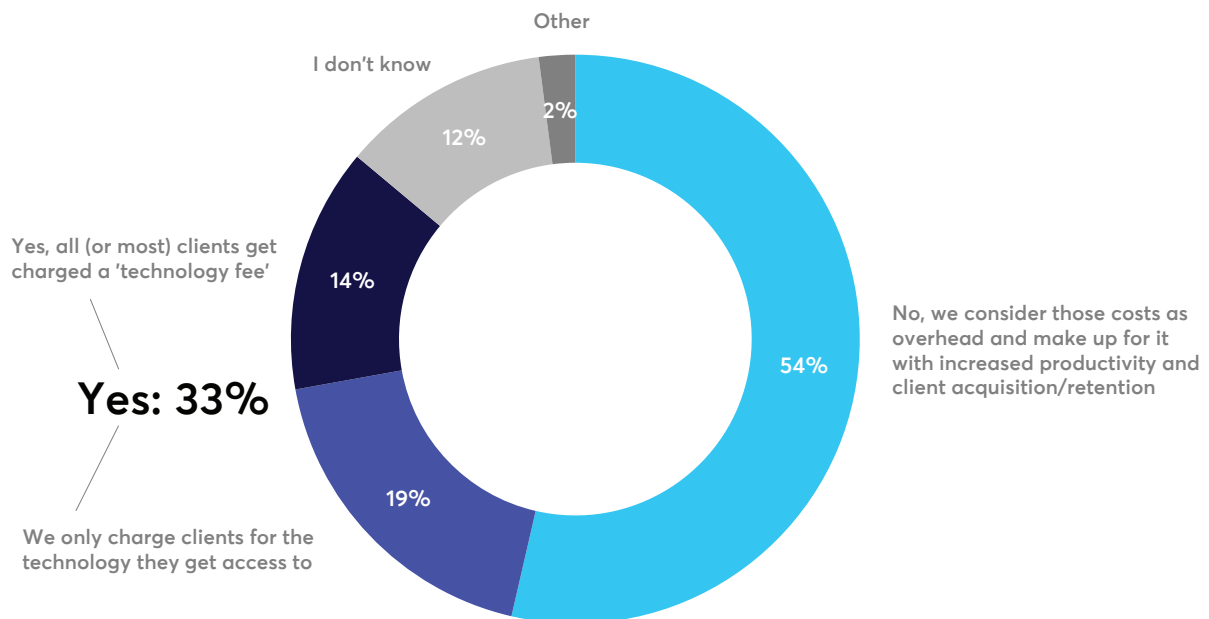
Right now, there's an equal distribution in our respondents' experience:

- ◆ 29% disagree, so they're not experiencing clients wanting to pay for performance
- ◆ 30% agree their clients are asking for performance-based pricing models

## 5.9 Charging clients for software

For agencies buying third-party PPC solutions to better serve their clients, we were interested if they are charging (some) clients directly for such solutions. Of course, even if clients don't directly pay for it, they'll do it indirectly, as they do for the agency coffee, desks, and laptops.

So, it's an allocation matter: are agencies treating these costs as overhead or as a variable cost they (partly) pass on to clients? We found:



- ◆ 54% of agencies don't directly charge their clients for technology used on their behalves.
- ◆ 33% do charge their clients. Of this group, 58% only charge clients for the technology they get access to, and 42% charge all clients a "tech fee."
- ◆ 12% of respondents didn't know about this, and the 2% of other responses were mostly saying "it depends."

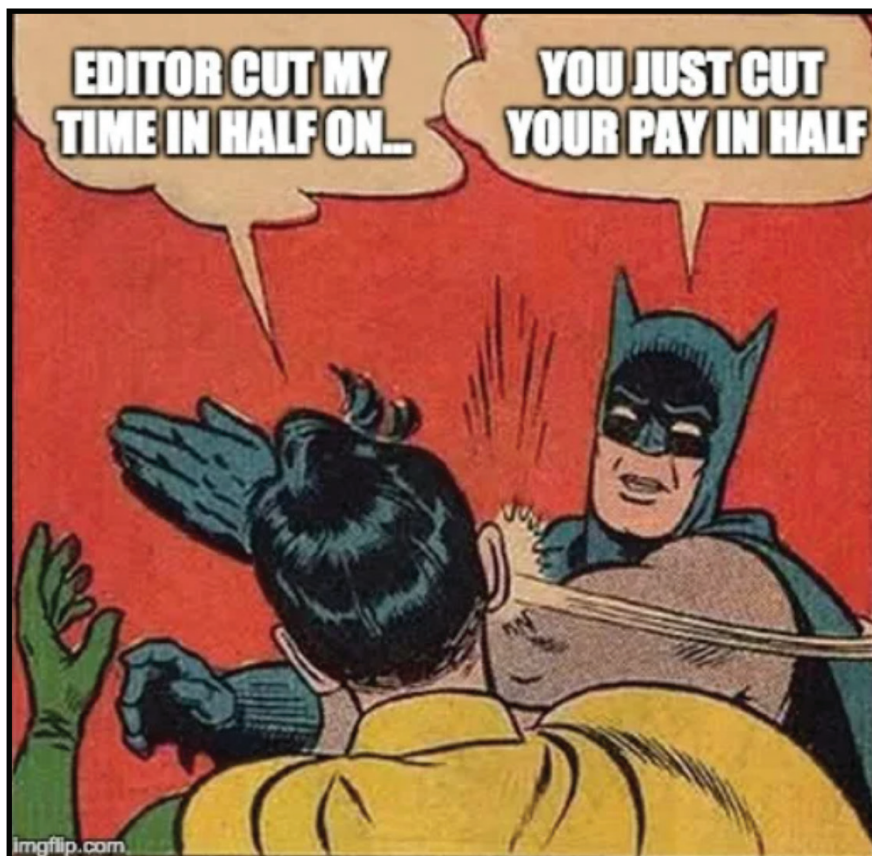
We would like to warn agencies of the rather "deadly" combination of pricing based on an hourly rate and not charging clients directly for technology the agency is paying for.

One of the main goals of nearly all technology is to save time. With the hourly rate model, this would mean you should charge fewer hours if you manage to produce the same work in less time. Simultaneously, your costs are rising because you're investing in technology. Now, the faster you'll be thanks to technology, the more your profits will shrink.



In this paragraph, you can replace “technology” with “experience” for a similar lesson, as experience also has a habit of costing extra and being faster.

For visual learners, the meme below from Kirk Williams<sup>17</sup> says it all. For more wisdom on essential PPC topics, be sure to read his book “Ponderings of a PPC Professional”<sup>18</sup>. You’ll also learn what the Backstreet Boys have in common with keyword targeting.



## 6. PPC in-house teams

We conclude this report by sharing insights from our 134 respondents working for a brand that does PPC in-house.

### 6.1 In-house vs. agency salaries

When talking about agency vs. in-house careers, one oft-mentioned difference is that working in-house provides a higher salary. To find out if this is true and how this differs per region, let’s look at Take Some Risk’s yearly PPC Salary Survey.<sup>19</sup>

Based on their report, the table below shows the median salary for digital marketing professionals with three to five years of working experience. To learn more about hours worked, vacation days, and deep dives into more countries, be sure to check out the complete report.



	Agency	In-house	Difference
Canada	\$67,700	\$70,000	3.4%
Continental Europe	€36,491	€45,500	24.7%
UK	£33,000	£39,100	18.5%
US	\$77,000	\$80,000	3.9%

The differences between North America and Europe are staggering. Europe is clearly lagging behind with compensation, agencies especially.

For European agencies having a hard time recruiting talent, closing the salary gap with advertisers could be an obvious part of the solution.

## 6.2 Roles and responsibilities

### The specialist

We can be quite brief regarding how in-house specialists' performance is measured, as this is 100% based on campaign performance. Common KPIs were:

- ◆ ROAS
- ◆ Revenue
- ◆ CPA
- ◆ Leads
- ◆ Profit



As discussed in the agency specialist part of this report, very few specialists are mentioning anything profit-related when talking about campaign performance.

To be exact, just 7% of all specialists (agency + in-house) mentioned a profit-based goal. The other 93% are still working with volume and efficiency metrics.

## The team manager

Just as with agency team managers, we first asked about the team manager's most important responsibilities. Obviously, without all those pesky clients that need to be satisfied, there's more focus on results for the brand itself.



Again, let's provide some background on the responsibilities mentioned most often.

Responsibility	Examples
Campaign performance (44%)	Campaign goals such as ROAS and revenue; budget allocation; growth
Coaching (23%)	Develop and challenge the team; make sure the team has the right resources
Strategy (19%)	Strategy development & guidance; planning
Training & education (9%)	Improving team skills and knowledge

We also asked how their performance was measured; no need for a word cloud for this part as only two types of KPIs were mentioned:

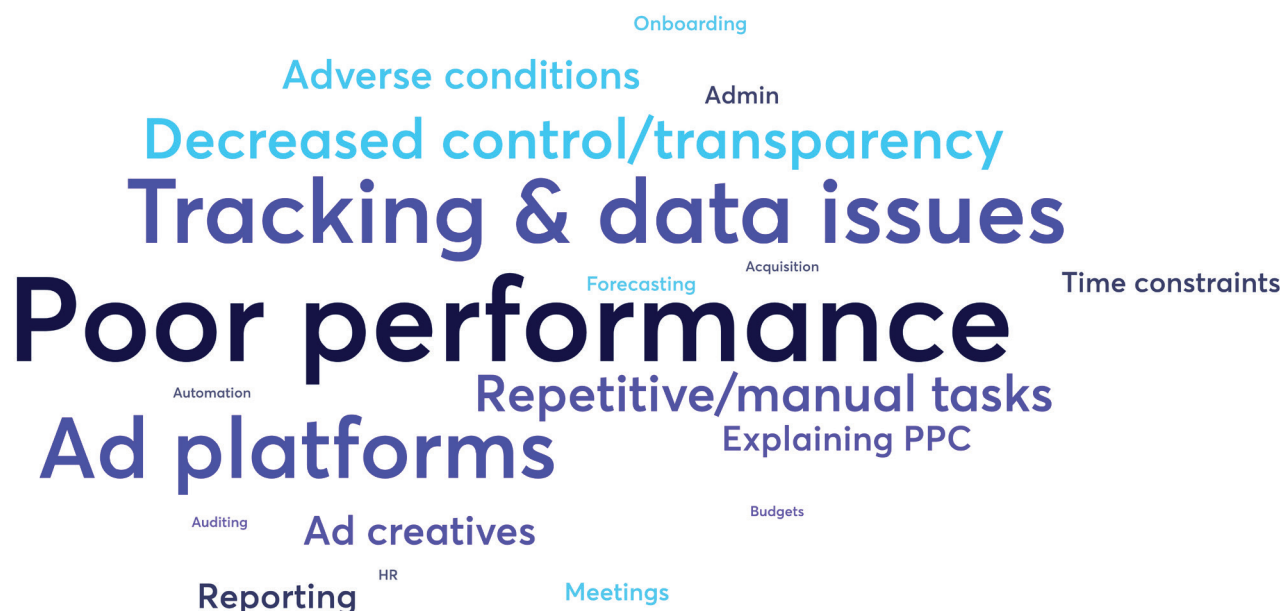
- ◆ Campaign performance (96%)
- ◆ Company results (growth, revenue, profit) (7%)

Just as with the agency-side team managers, we see a disconnect between the coaching and development responsibilities and the performance indicators used to measure a manager's performance.

As we had too few advertiser-side executives in our survey, we'll not share a deep dive into their responsibilities.

## 6.3 Advertiser frustrations

We'll conclude this report with the most common frustrations among our 124 advertiser-side respondents.



Frustration	Examples
Poor performance (16%)	Seeing results getting worse and trying to find out why
Tracking & data issues (15%)	Time spent on tracking implementations; attribution challenges; messy data
Ad platforms (13%)	Platform interfaces being slow and buggy; poor support from the platforms; continuous changes made by the platforms; the fact that it's a near duopoly (Google and Facebook)
Decreased control/transparency (13%)	Lack of transparency; black box campaign behavior
Repetitive/manual tasks (10%)	Optimizing product titles; adding negatives

## Endnotes

- <sup>1</sup> Alphabet Inc., [Form 10-K for the Fiscal Year Ended December 31, 2021](#)
- <sup>2</sup> Meta Platforms Inc., [Fourth Quarter and Full Year 2021 Financial Highlights](#)
- <sup>3</sup> Amazon.com Inc., [Form 10-K for the Fiscal Year Ended December 31, 2021](#)
- <sup>4</sup> Microsoft Corporation, [Form 10-K for the Fiscal Year Ended June 30, 2021](#)
- <sup>5</sup> Twitter Inc., [Form 10-K for the Fiscal Year Ended December 31, 2021](#)
- <sup>6</sup> Nils Rooijmans, [Ultimate Google Ads Scripts Collection](#)
- <sup>7</sup> Adobe Workfront, [The 2021 State of Work](#) (March 2021)
- <sup>8</sup> George Michie, [Maximizing ROI: The Wrong Game](#) (Search Engine Land, February 2010)
- <sup>9</sup> Mike Ryan, [The ROAS pathology: how revenue-based optimization is selling you short](#) (LinkedIn Pulse, October 2021)
- <sup>10</sup> Patrick Gilbert, [Join or Die: Digital Advertising in the Age of Automation](#) (Mill City Press, November 2020)
- <sup>11</sup> Google Ads Help, [How to become a Google Partner or Premier Partner](#)
- <sup>12</sup> Search Engine Land, [Google finally launches revamped Partners program](#) (February 2022)
- <sup>13</sup> Marketing Land, [Digital Agency Survey 2019: Transformation](#) (January 2019)
- <sup>14</sup> Daniel Gilbert, [In-house or agency? It's not a binary decision](#) (Campaign UK, January 2019)
- <sup>15</sup> Mike McDerment and Donald Cowper, [Breaking the time barrier](#) (Freshbooks, 2013)
- <sup>16</sup> Forrester Consulting, [Ready Together: How Agencies Can Accelerate Growth Today and Futureproof for Tomorrow](#) (study commissioned by Google and 4A's, January 2021)
- <sup>17</sup> Kirk Williams, [The Great PPC Pricing Debate](#) (State of Search 2015)
- <sup>18</sup> Kirk Williams, [Ponderings of PPC Professional](#) (ZATOWorks Publishing, October 2020)
- <sup>19</sup> Take Some Risk Inc., [Salary Survey Report 2022](#)

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