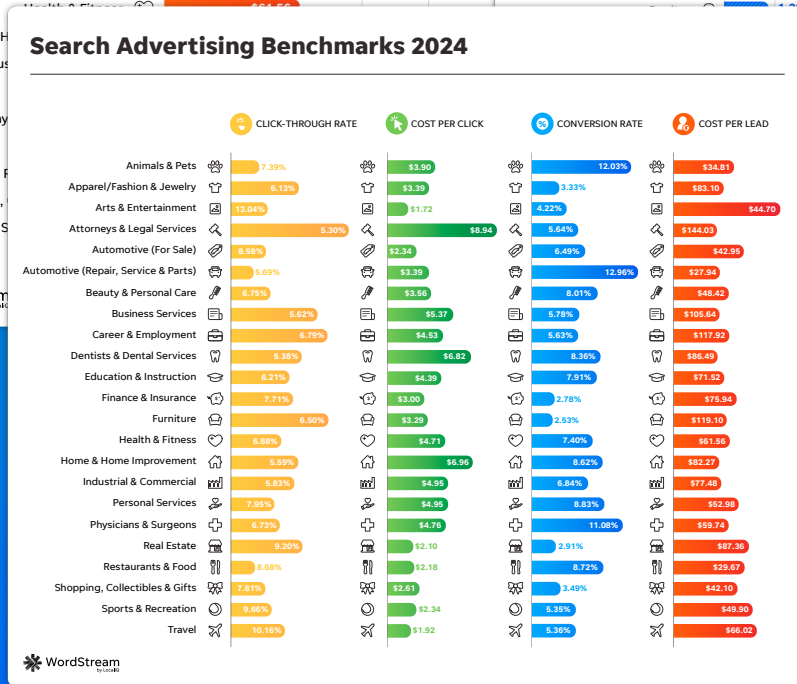
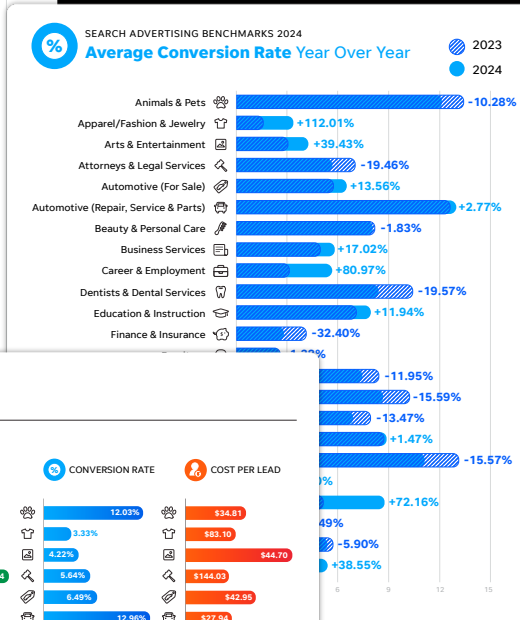
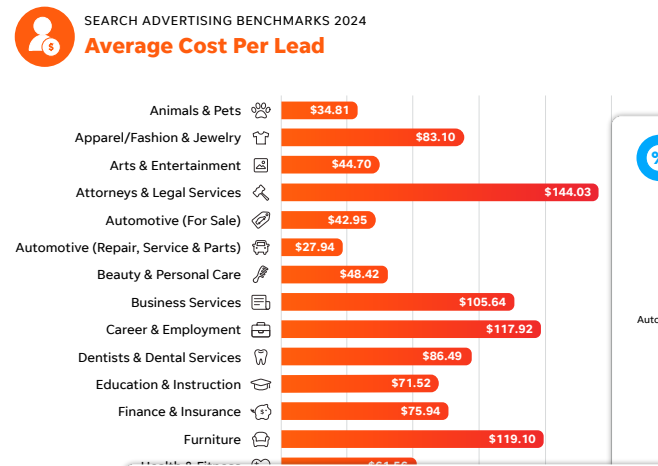




# Search Advertising Benchmarks for 2024

## Competitive Data & Insights



WordStream

WordStream

# What's inside:

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# Introduction

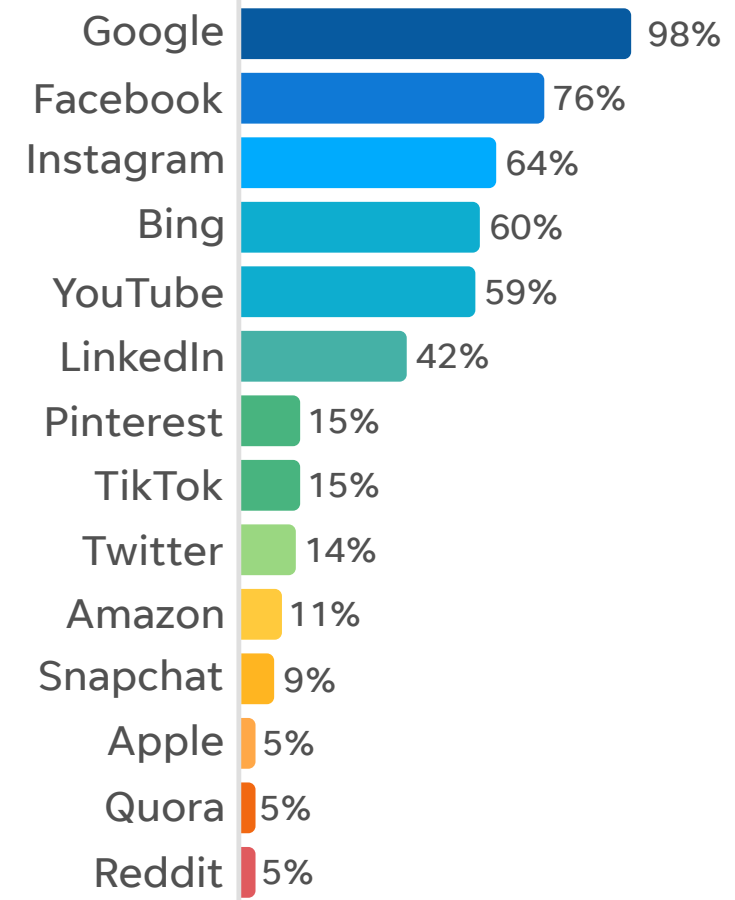
With over 80% of buying journeys beginning on search engines, it's not a surprise that **so many businesses** are running search ads to capture local searchers and convert them into customers.

But with search engines like Google constantly changing the search landscape, and with advertising costs rising across the board, it's important to understand how your search ads are really performing to drive the best results for your business.

The latest version of our Google Ads benchmarks report not only gives you a peek at how businesses in your industry are performing—it also provides expert insights and actionable tips to help you optimize your campaigns and get the best results from your search ads strategy.

**Read on to get the details and set your campaigns up for success long-term.**

## “On which platforms are you currently running PPC campaigns?”



Source: PPCsurvey.com

# Our methodology

This report contains our latest search ads benchmark data to help you better understand and maximize your campaign performance and budget. A few things to know about this report:

- This data is pulled from over 17,000 LocaliQ customer search advertising campaigns running from April 2023 through March 2024.
- Our proprietary platform dynamically shifts budget between search channels on a campaign-by-campaign basis, but in aggregate, approximately 80-85% of budget is allotted to Google and 15-20% to Microsoft.
- Metrics include average cost per click, average click-through rate, average cost per lead, and average conversion rate, plus year-over-year changes.

## Metrics in this report

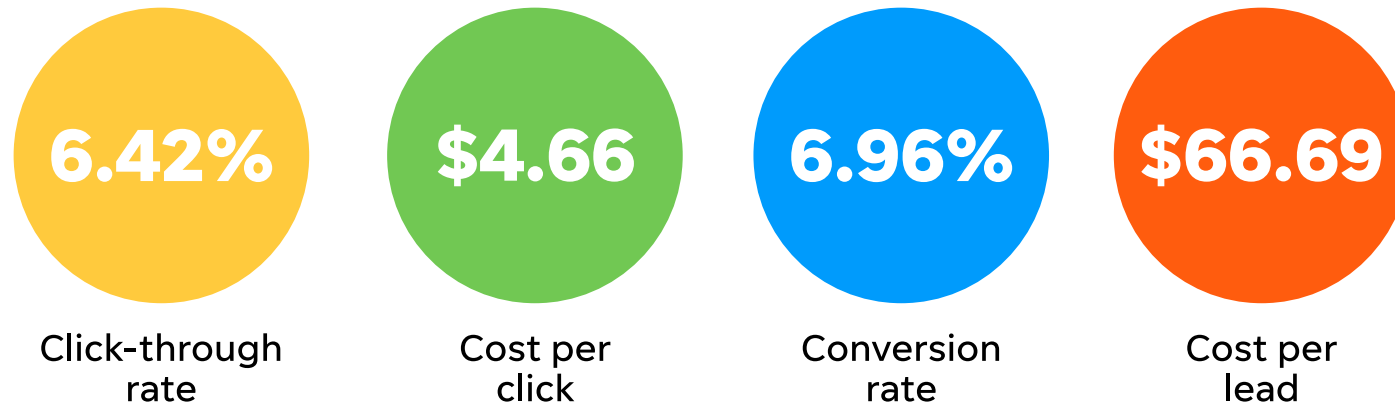
**CTR** **Click-through rate**  
Percentage of impressions that result in a click.

**CPC** **Cost per click**  
Spend divided by clicks.

**CVR** **Conversion rate**  
Percentage of clicks that result in a lead.

**CPL** **Cost per lead**  
Spend divided by leads.

## Search Advertising Benchmarks: Averages across all industries



# Overall averages

When viewing the data in aggregate, overall performance averages for search ads are as follows:

- Average click-through rate: 6.42%
- Average cost per click: \$4.66
- Average conversion rate: 6.96%
- Average cost per lead: \$66.69



**Remember, the best way to compare your performance is to look at the metric-by-metric averages for your industry specifically—which we'll get into later on in the report.**

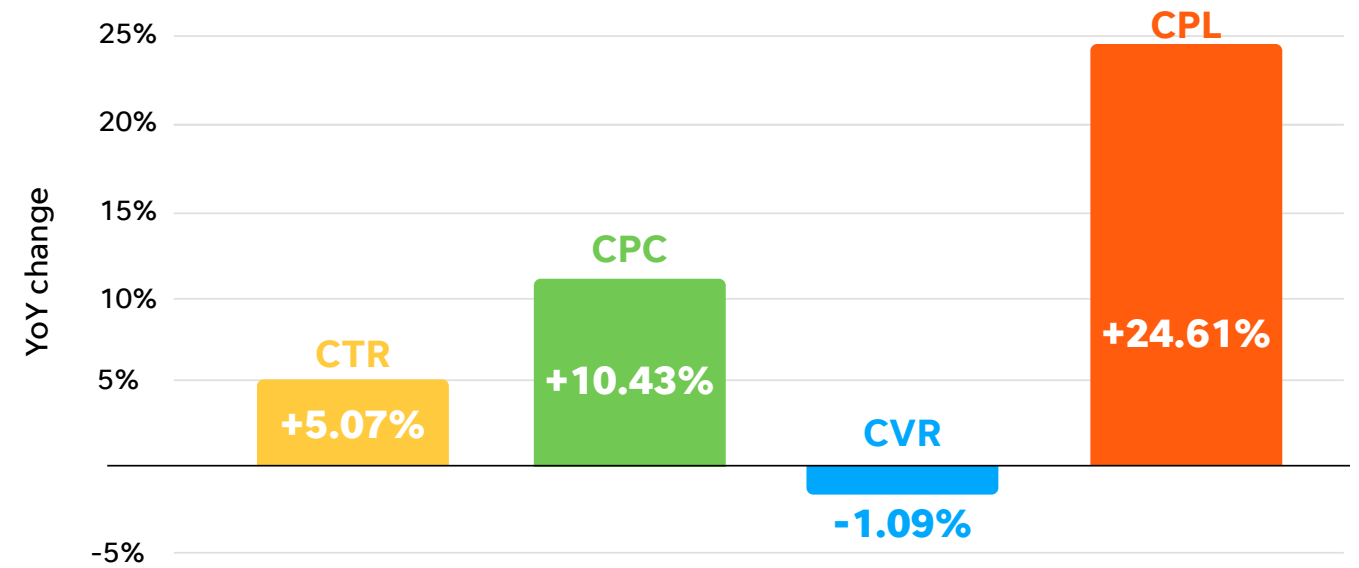
# The big picture

Before we get into the metric-by-metric details, let's first get a birds' eye view of the latest benchmarks data.

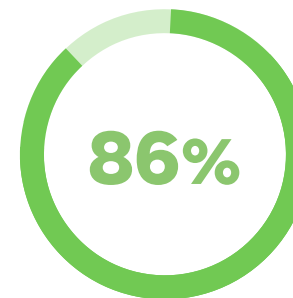
**Here are the overall trends in Google Ads and Microsoft Ads you need to know:**

- **Click-through rate improved for most industries.** 70% of industries saw an increase in CTR year over year, some significantly, with an overall average increase of 5%.
- **Cost per click increased for 86% of industries.** Some industries saw increases over 25% year over year, with an average overall increase of 10%.
- **Conversion rate decreased for 12 out of 23 industries,** although the average was fairly minimal at only 1%.
- **Cost per lead increased for 19 out of 23 industries,** with an average increase of about 25%.

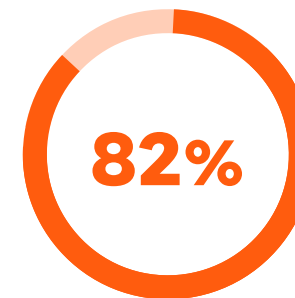
## 2024 Google Ads benchmarks, YoY changes



 WordStream  
by LocaliQ

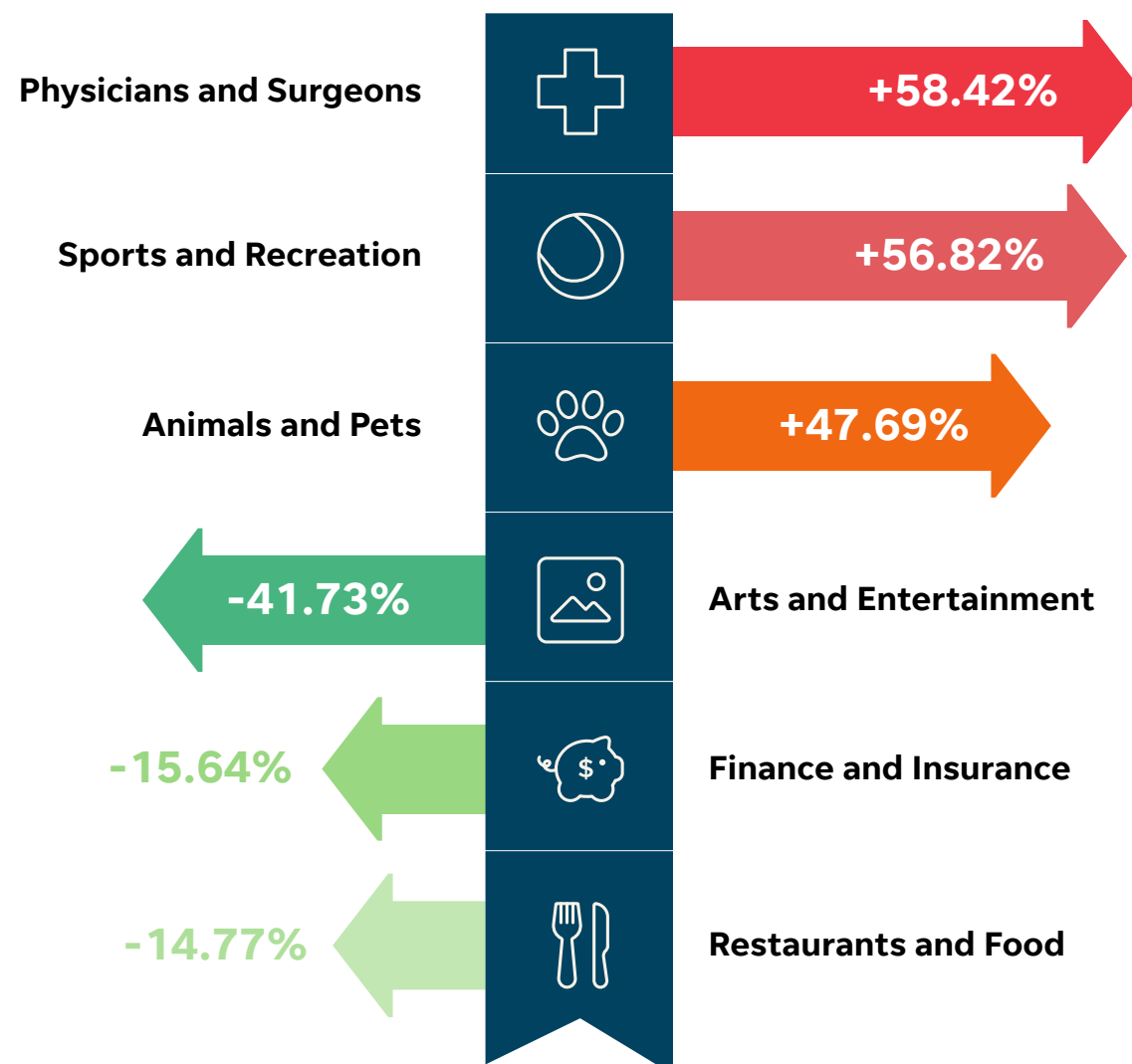


of industries saw an increase in CPC.



of industries saw an increase in CPL.

## Biggest YoY changes in Google Ads cost per lead



## Industries most impacted

- **Industries that saw the highest increases** in cost per lead included Physicians and Surgeons (+58.42%), Sports and Recreation (+56.82%), and Animals and Pets (+47.69%).
- **The three industries with the largest decreases** in cost per lead were Arts and Entertainment (-41.73%), Finance and Insurance (-15.64%), and Restaurants and Food (-14.77%).

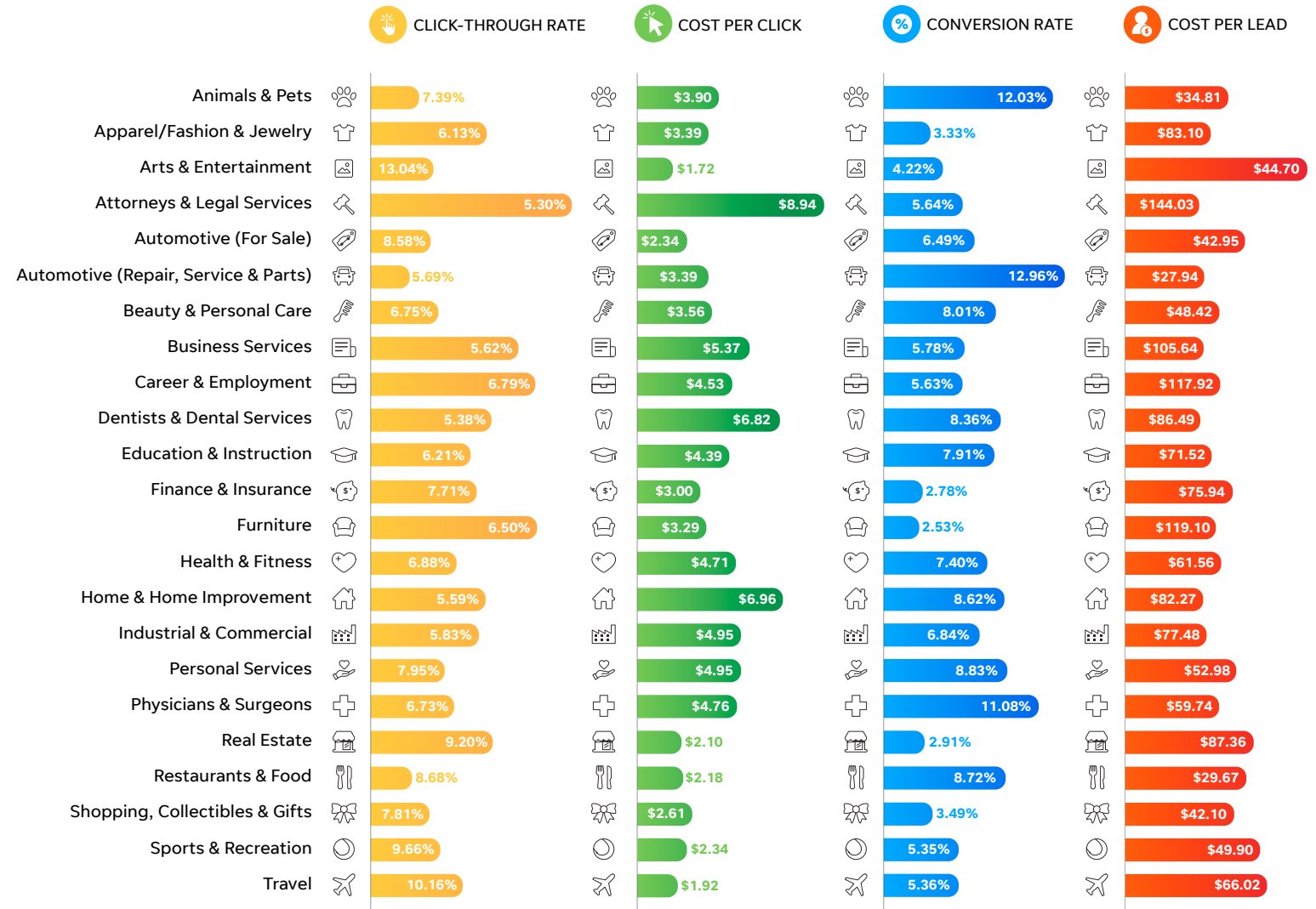
# Search advertising benchmarks by industry

Ready to dive deeper into some of the latest PPC trends? Here are the Microsoft Ads and Google Ads benchmarks across all metrics and industries for 2024.

Let's take a closer look with a breakdown for each metric.

- ➔ Average click-through rate
- ➔ Average cost per click
- ➔ Average conversion rate
- ➔ Average cost per lead

## Search Advertising Benchmarks 2024



WordStream by LocaliQ

# Average click-through rate

## By industry

Click-through rate, while often overlooked in favor of cost-driven metrics, can be extremely telling when it comes to your search campaign performance. It indicates how frequently people are clicking on your ad once it's shown in the SERP—which is half the battle when it comes to getting a conversion.

**The average click-through rate in Google Ads in 2024 is 6.42%.**

The industries that saw the best average CTRs this year were Arts and Entertainment (13.04%), Sports and

Recreation (9.66%), and Real Estate (9.20%).

Meanwhile, the industries with the lowest average CTRs were Attorneys and Legal Services (5.30%), Home and Home Improvement (5.59%) and Dentists and Dental Services (5.38%). The overall increase in CTR for most industries indicates a more ad-friendly SERP, which has upsides and downsides. As results above the fold are increasingly populated by ads that blend seamlessly into organic results, advertisers will see an increase in clicks, but they may also see decreases in organic traffic.



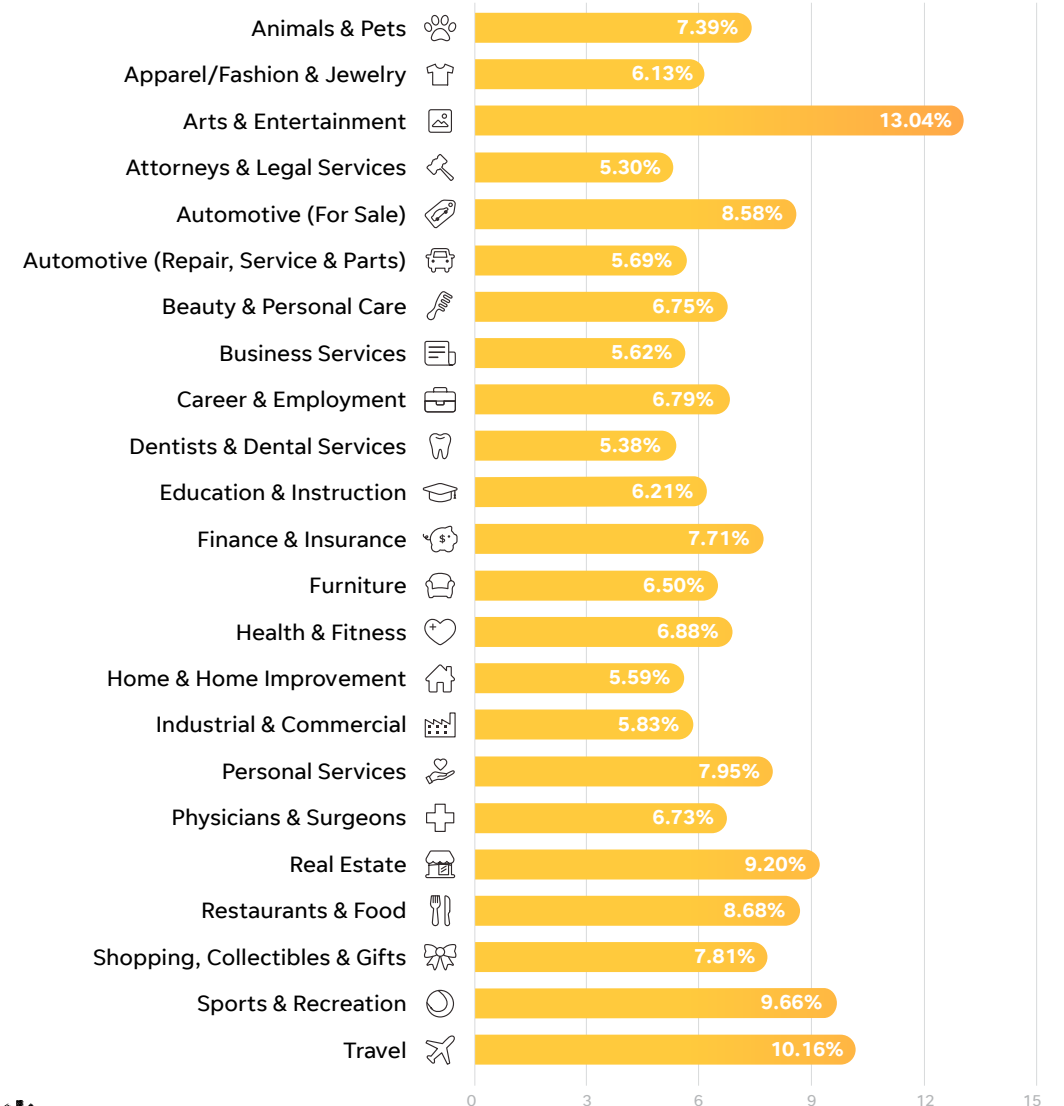
Since the advent of Responsive Search Ads, Google has been subtly shifting away from ads reading as a fixed three-headline format to something more flexible and agile for different screens. Now, you're seeing ads with one headline that look nearly identical to their organic listings in every way.

— Mark Irvine, Vice President of Search at SearchLab



SEARCH ADVERTISING BENCHMARKS 2024

## Average Click-Through Rate

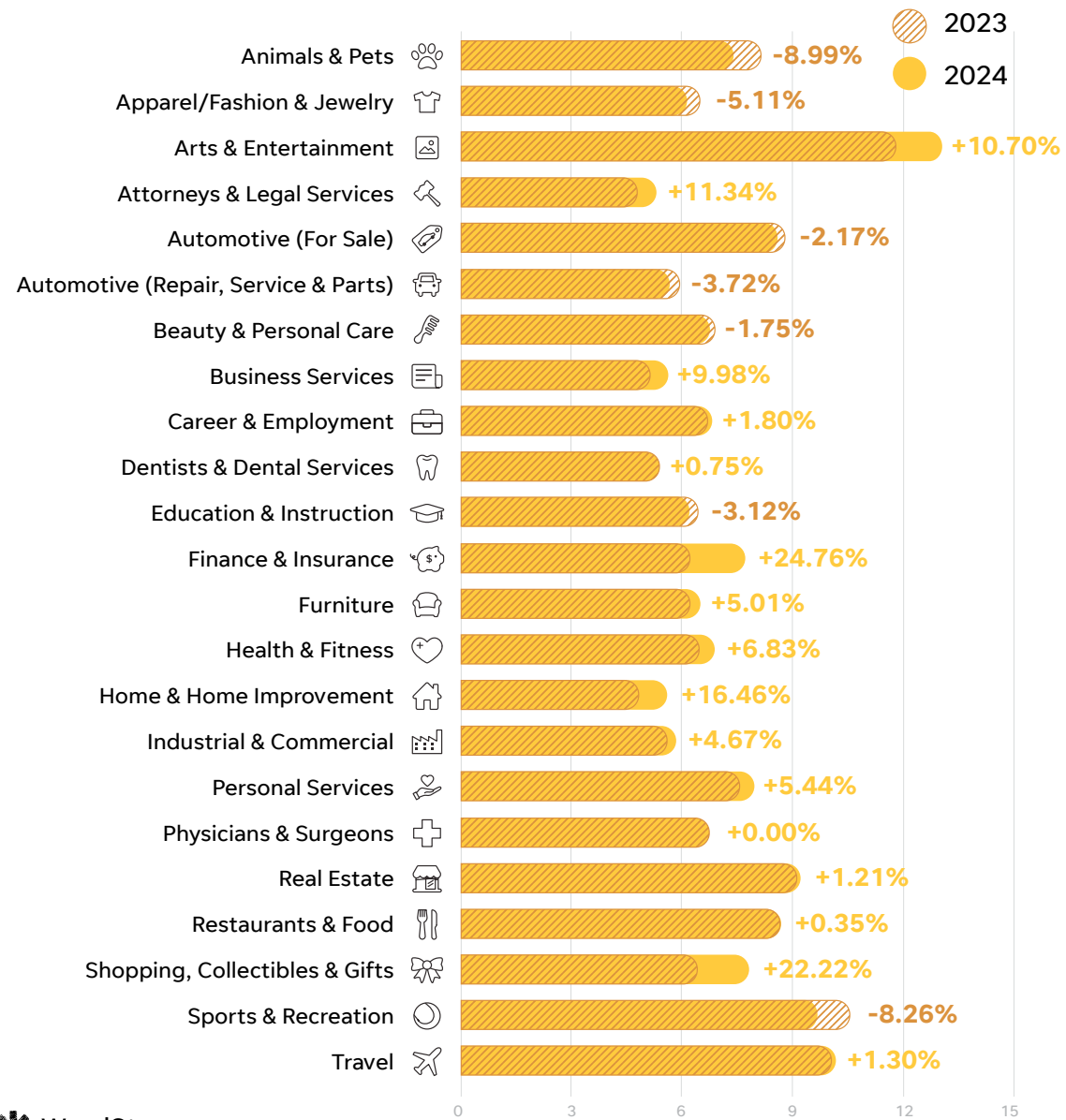


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SEARCH ADVERTISING BENCHMARKS 2024

## Average Click-Through Rate Year Over Year



## Year over year

The industries that saw the biggest increases in CTR performance year over year were Finance and Insurance (up 24.75%), Shopping, Collectibles, and Gifts (up 22.22%), and Home and Home Improvement (up 16.46%).

In contrast, the industries with the biggest decreases in CTR year over year were Animals and Pets (down 8.99%), Sports and Recreation (down 8.26%), and Apparel, Fashion, and Jewelry (down 5.11%).

**The 2024 average CTR of 6.42% is higher than last year's overall average of 6.11%.**

## How to improve your click-through rate

If your current click-through rate doesn't align with the average for your industry, you may want to consider how, exactly, your customers are searching for your business and tailor your ads accordingly.

“There are so many avenues now for consumers to find information that before you could only find on a website. You can be cooking dinner and just say ‘Alexa,’ or hit your watch and say ‘Hey, Siri.’ With so many ways for consumers to find search results, you are seeing the competition continue to increase,” said Stephanie Scanlan, Vice President of Client Success at LocaliQ.

Using keywords, headlines, and descriptions optimized for voice search, and [answering customer pain points](#), questions, and more may make your ads more visible (and clickable) in the long run. You can find more ways to [improve your click-through rate here](#).

## CTR CHECKLIST

- Keep your ad copy clear and concise
- Do thorough keyword research
- Use strong calls to action
- Leverage negative keywords
- Test different audience targeting methods

# Average cost per click

## By industry

You can't take your click-through rate into consideration without also factoring in your cost per click. Cost per click is a measure of how much you're charged, on average, for a click on your search ads. Cost per click can vary depending on your [bidding strategy](#), click-through rates, industry competition, and more.

**The average cost per click in Google Ads in 2024 is \$4.66.**

This year's industries with the lowest average CPCs were Arts and Entertainment at \$1.72, Travel at \$1.92, and Real Estate at \$2.10.

The industries with the highest average

CPCs were Attorneys and Legal Services (\$8.94), Home and Home Improvement (\$6.96), and Dentists and Dental Services (\$6.82).

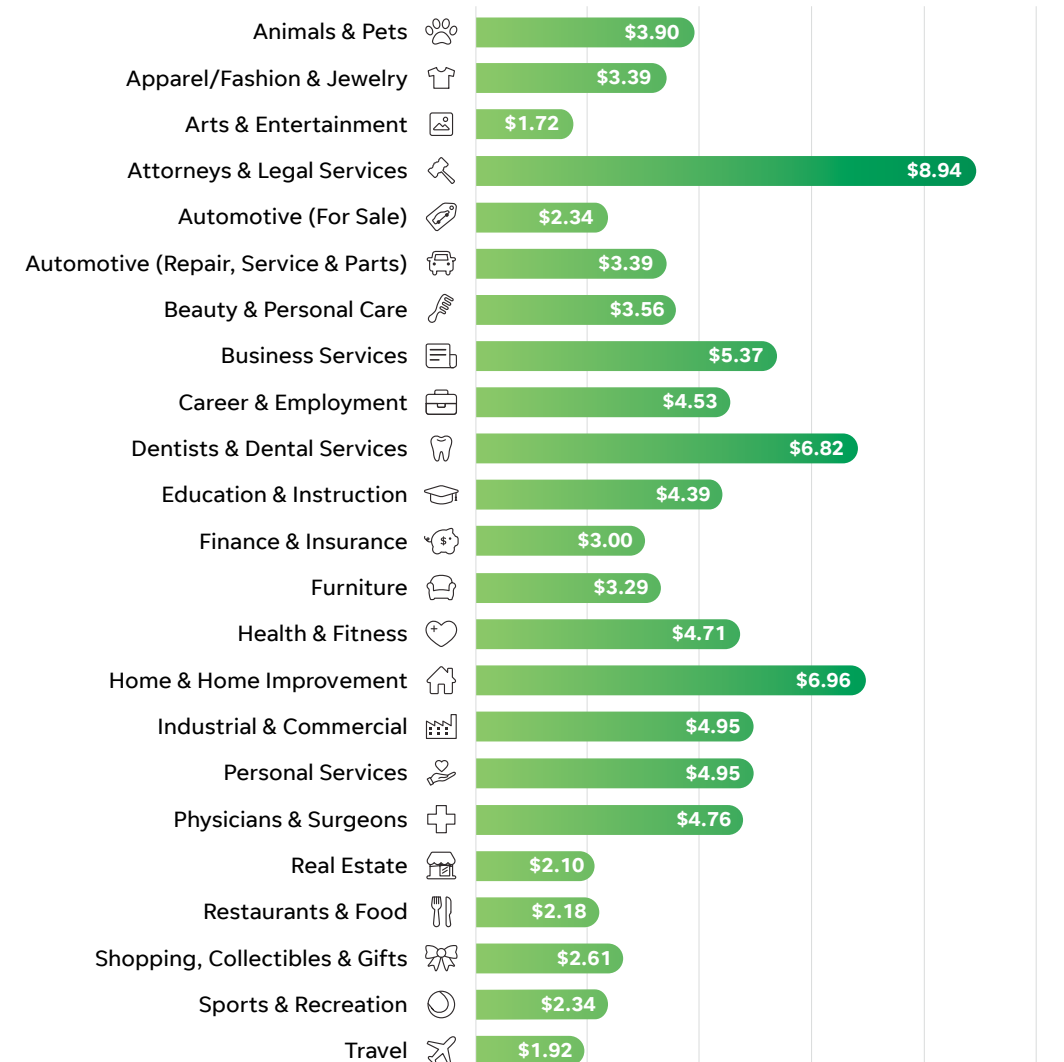
Last year, CPC increased for about 60% of industries, but those increases were fairly small (averaging 2%). This year's average increase is 10%. This is likely due to continued effects of inflation; while rates on inflation have slowed, the costs of most goods and services have not come down. While industries like Attorneys and Legal Services typically face higher costs, conversions from these pricier clicks can be of much higher value for these types of businesses.

**The rise in CPC across most industries aligns with the ongoing economic challenges like inflation.**  
— Alessandro Colarossi, Partner Data Transformation Lead at Google



SEARCH ADVERTISING BENCHMARKS 2024

## Average Cost Per Click by Industry

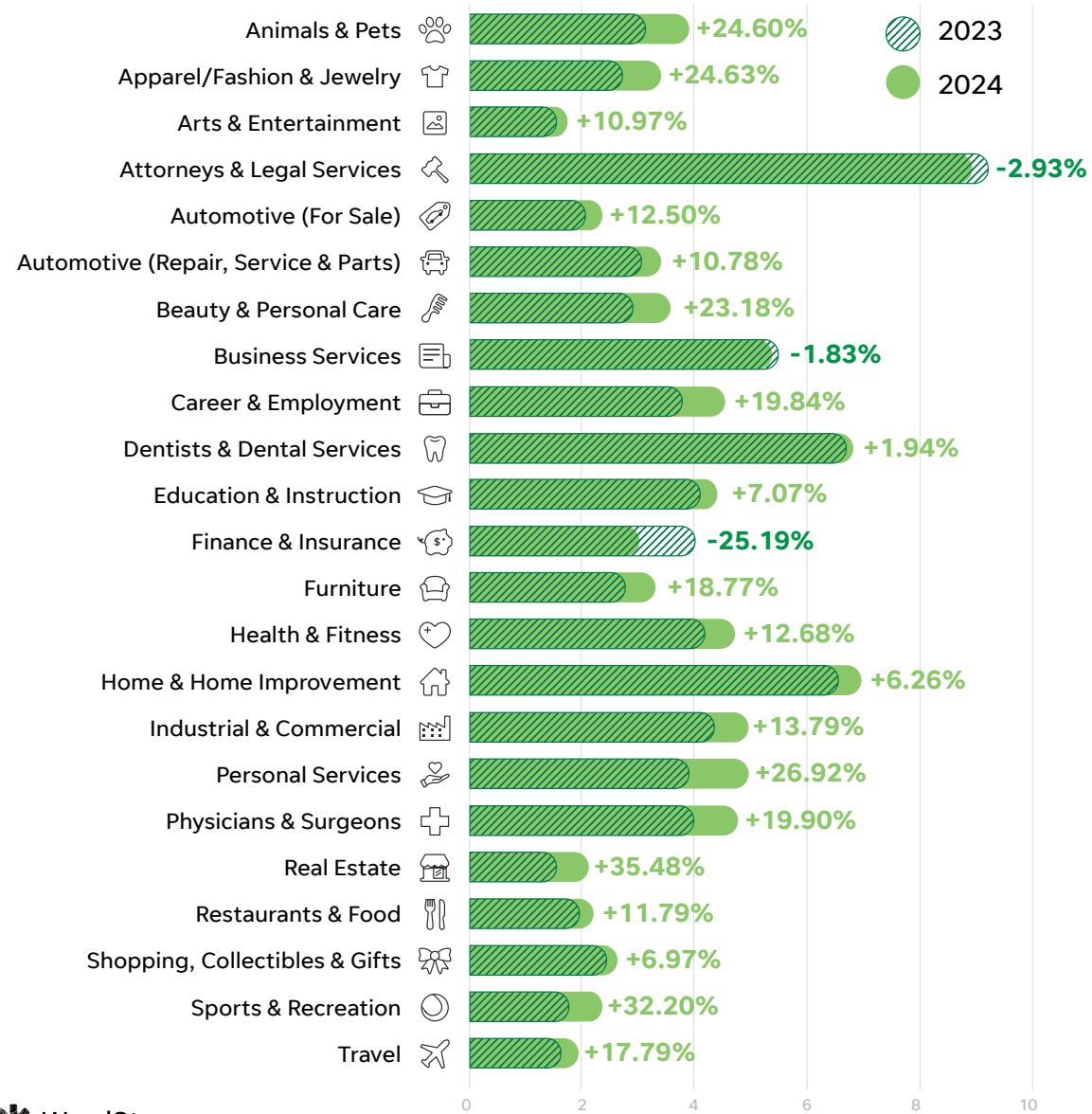


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SEARCH ADVERTISING BENCHMARKS 2024

## Average Cost Per Click by Industry Year Over Year



## Year over year

The industries with the biggest drops in CPC performance were Real Estate (increased 35.48%), Sports and Recreation (increased 32.20%), and Personal Services (increased 26.92%).

Meanwhile, the industries that saw the biggest improvements in CPC performance were Finance and Insurance (-25.19%), Attorneys and Legal Services (-2.93%), and Business Services (-1.83%).

**This year's overall average CPC of \$4.66 is 44 cents higher than last year's average of \$4.22.**

## How to lower cost per click

When it comes to any cost in Google Ads, including cost per click, there are a few factors that may be out of your control.

“The noticeable jump in CPC prices could be due to the lingering effects of inflation. Like almost everything else—advertising costs have gone up for businesses, and that is largely contributing to the changes in CPC trends we’re seeing,” said Goran Mirkovic, CEO at Freemius.

“Changes in industry-specific demand (like real estate), competition levels, unique advertising tactics, and consumer behavior could also be impacting these trends. As users interact with search results and ads in new ways, it’s only natural to expect that these changes will have a visible impact in both CTR and CPC rates,” said Goran.

However, there are still optimizations you can make to [lower your cost per click](#). For example, tightly aligning your landing pages with your keyword intent can increase your [Quality Score](#), which in turn can lower your cost per click.

## CPC CHECKLIST

- Use keyword research tools to source low-cost keywords
- Align keywords with your ads and landing page copy
- Test different bid strategies
- Follow account structure best practices

# Average conversion rate

## By industry

Conversion rate is one of the most important PPC metrics to advertisers because it accounts for how many ad clicks turn into real sales or leads.

It can be tricky to balance trying to achieve a high conversion rate while lowering costs. That's why it's so important to closely track your conversion rate against other metrics in your account to get a holistic view of your strategy.

**The average conversion rate in Google Ads in 2024 is 6.96%.**

The industries that had the highest average CVRs were Automotive Repair, Service, and Parts at 12.96%, Animals and Pets at 12.03%, and Physicians and Surgeons at 11.08%.

Industries that saw the lowest average CVRs were Furniture at 2.53%, Finance and Insurance at 2.78%, and Real Estate at 2.91%.

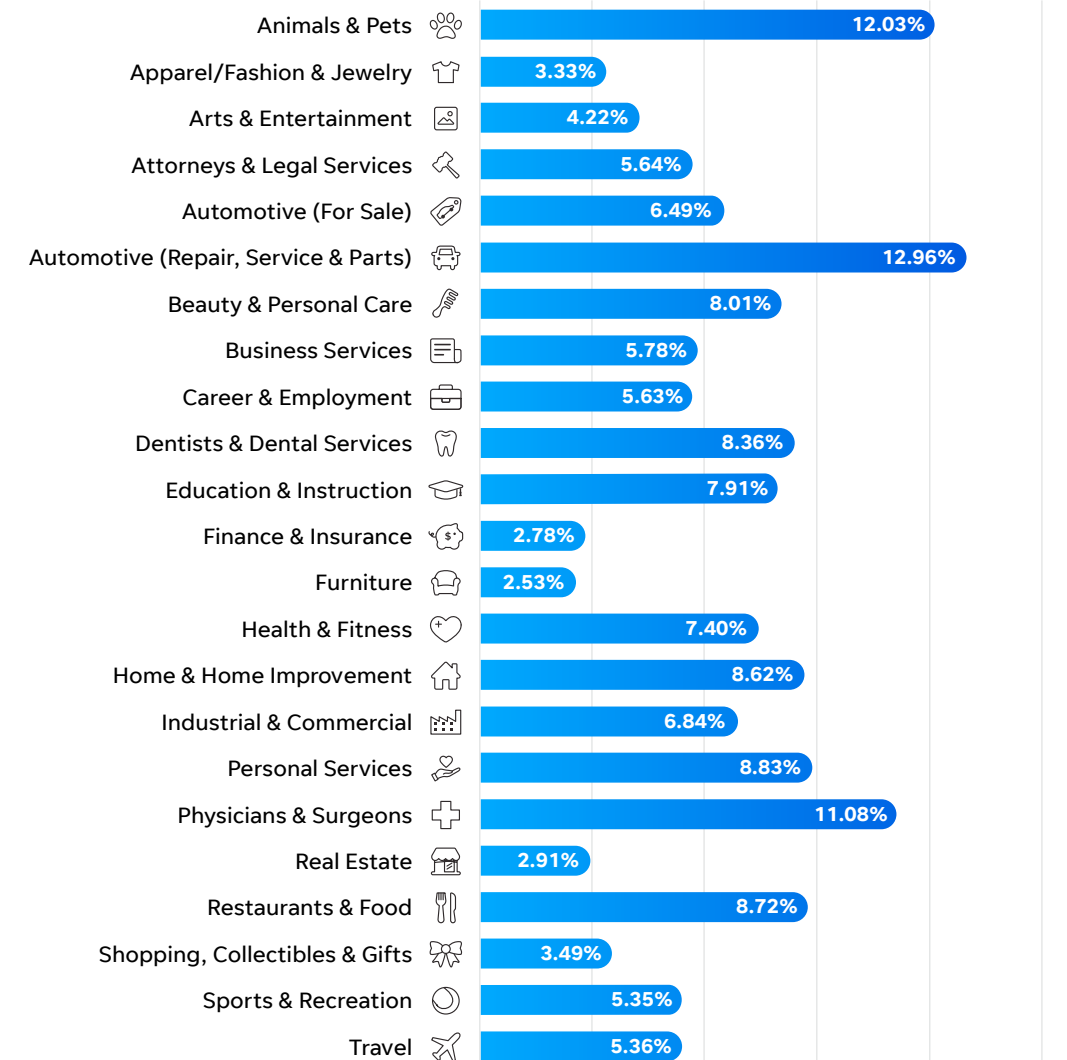
As ads are blending into organic results, and often take up more space on the SERP even for search terms with low commercial intent, lower CVRs may be more common. This is because of an increase in clicks from people who may not be ready to convert.

Advertisers have to be really savvy in making the most of their spend and focusing their budget on the highest-intent keywords to maintain strong conversion rates.



SEARCH ADVERTISING BENCHMARKS 2024

## Average Conversion Rate



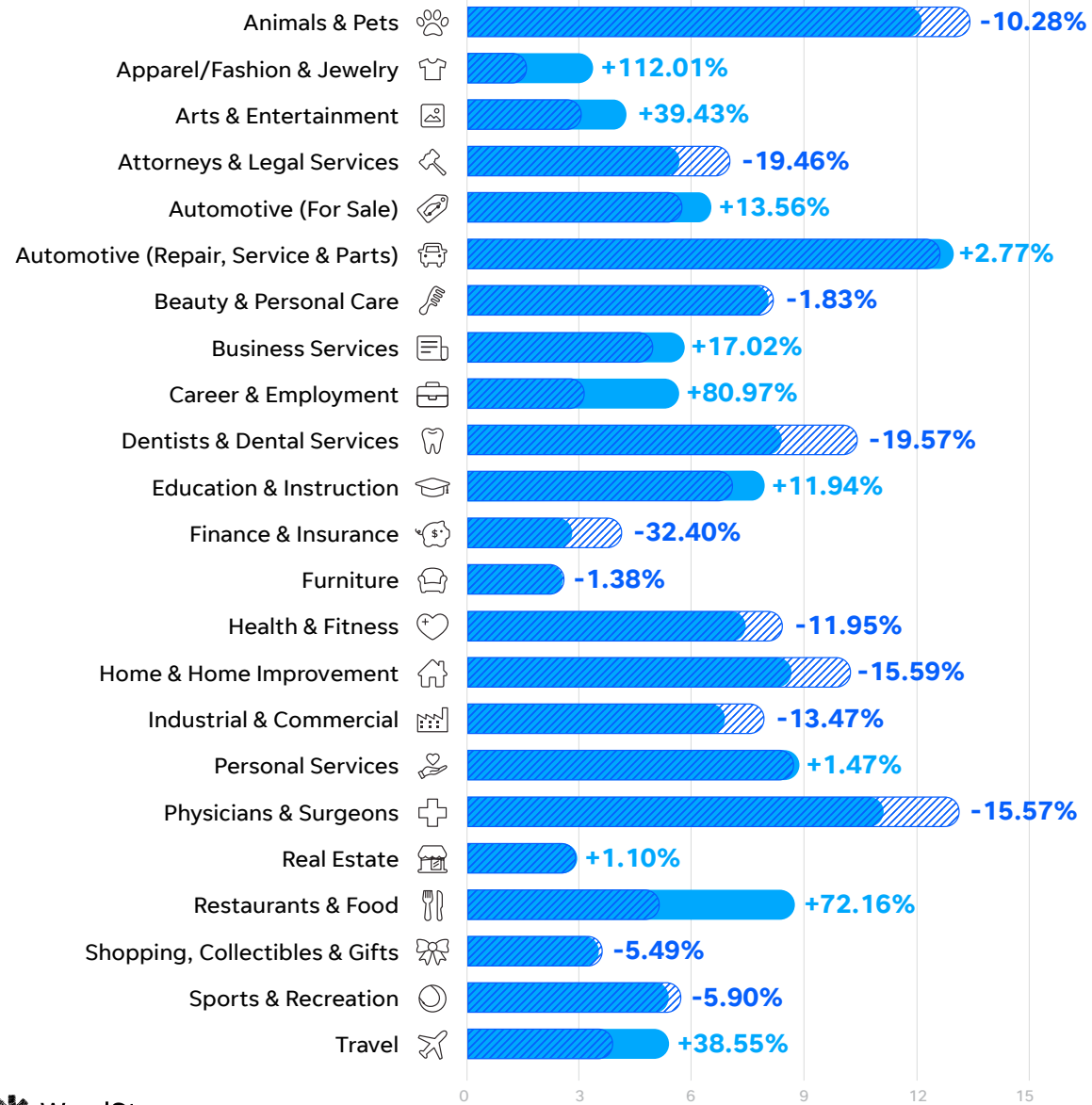
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SEARCH ADVERTISING BENCHMARKS 2024

### Average Conversion Rate Year Over Year

2023  
2024



## Year over year

The industries with the biggest conversion rate decreases were Finance and Insurance (-32.40%), Dentists and Dental Services (-19.57%), and Attorneys and Legal Services (-19.46%.)

The industries with the highest conversion rate increases were Apparel, Fashion, and Jewelry (112%), Career and Employment (80.97%), and Restaurants and Food (72.16%).

**The 2024 overall average conversion rate of 6.96% is only slightly lower than last year's average of 7.04%.**



If you're not totally satisfied with your search ad results, try the [Google Ads Performance Grader](#) to get a free report card with tips on how to improve.

## How to improve conversion rates

When you're trying to improve your conversion rate, it's important to first find any correlations between your conversion rate performance and your progress in other [PPC metrics](#).

"All of your different KPIs (key performance indicators) give you a guide to what optimizations need to be made to improve your PPC results," said Stephanie.

"While cost per conversion, conversion rate, and cost per lead are the indicators to focus most heavily on, a poor CTR or higher-than-needed CPC can also give you insights into a potential problem with your campaign—impacting the overall results. Each KPI should be reviewed both independently and within the bigger picture of overall results to see if they can be optimized to better improve your overall ROI."

For example, if you find you have a low conversion rate but high CPCs, you should first try to get more clicks at a lower cost, since clicks are half the battle when securing conversions. You can learn more [conversion rate optimization tips here](#).

## LANDING PAGE OPTIMIZATION CHECKLIST

- Mobile-friendly
- Short, simple forms
- Includes unique value propositions
- Layout that's easy to navigate
- Clear, concise copy
- Calls to action that pop

# Average cost per lead

## By industry

You could say we saved the best metric in our benchmarks breakdown for last, since most advertisers use cost per lead as their core “money metric.” Cost per lead (also known as cost per conversion, cost per action, or cost per acquisition) determines how much a conversion sourced from a search ad costs your business on average.

**The average cost per lead in Google Ads in 2024 is \$66.69.**

The industries with the lowest average CPLs were Automotive Repair, Service, and Parts at \$27.94, Restaurants and Food at

\$29.67, and Animals and Pets at \$34.81.

Industries with the highest average CPLs included Attorneys and Legal Services (\$144.03), Furniture (\$119.10), and Career and Employment (\$117.92).

2024 CPLs haven’t increased as aggressively as they did in 2023, which came after record inflation and an unstable economy. However, as inflation continues to be an issue that advertisers are seeing, this increase isn’t necessarily surprising.

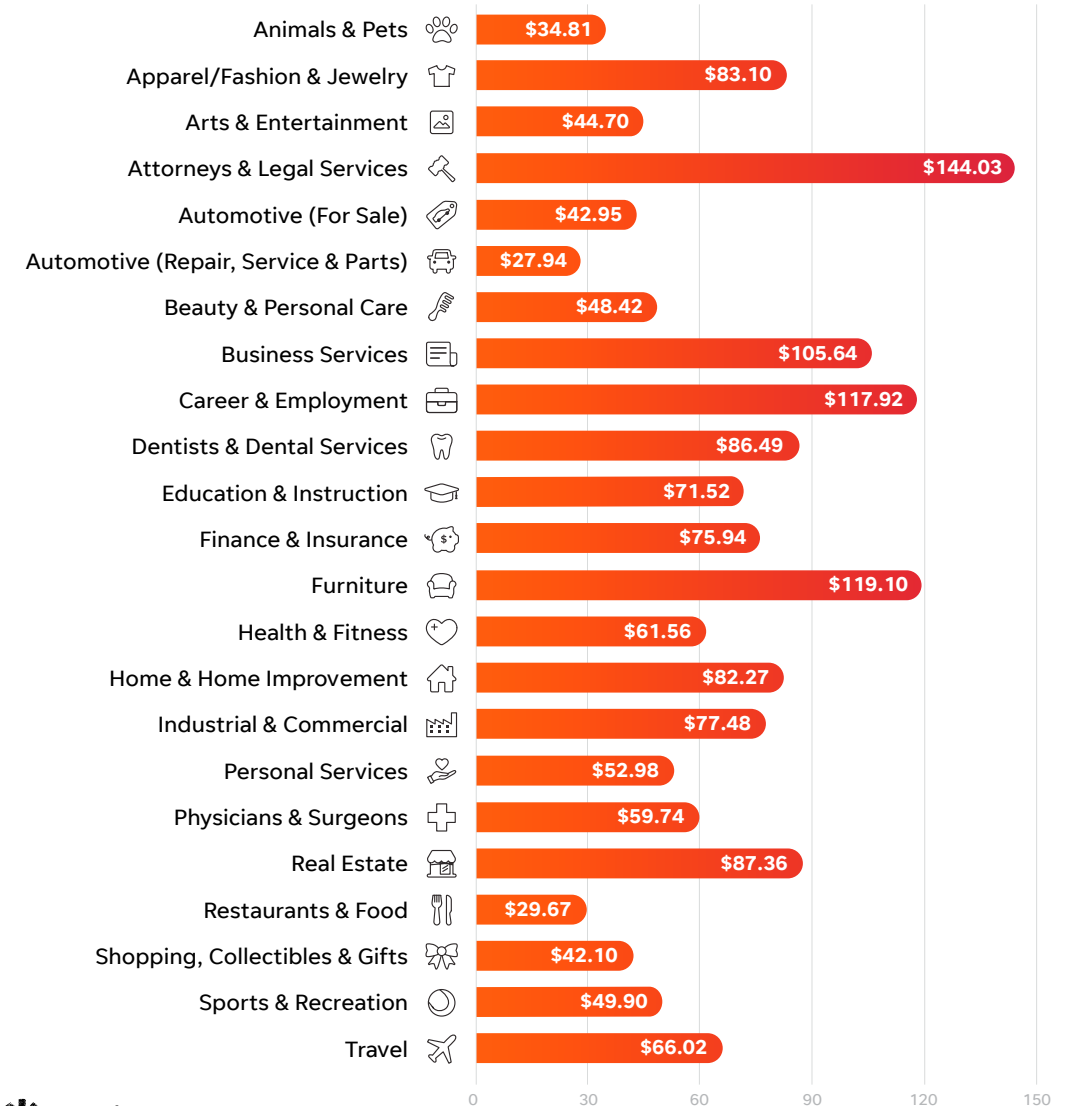
“This year’s search advertising benchmarks underscore the critical need for campaign optimization. While rising click-through rates suggest a more receptive environment for ads, the cost of clicks increasing, as well as shifts in conversion rates and cost per lead, demonstrate significant variation across industries.”

— Katia Hausman, Vice President of Ad Products at LocaliQ



SEARCH ADVERTISING BENCHMARKS 2024

## Average Cost Per Lead

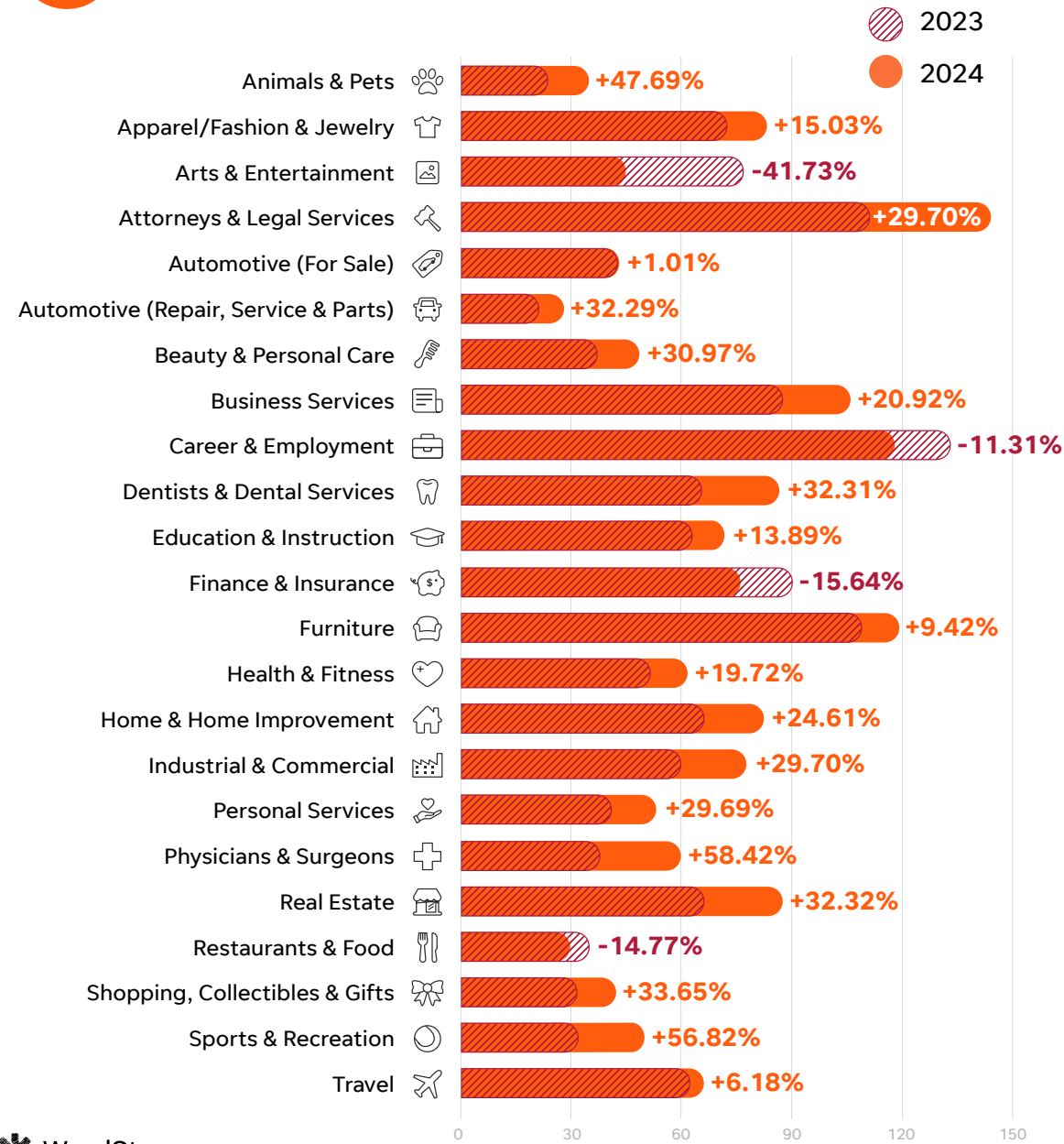


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### SEARCH ADVERTISING BENCHMARKS 2024

## Average Cost Per Lead Year Over Year



## Year over year

The industries with the biggest improvements in cost per lead were Arts and Entertainment (-41.73%), Finance and Insurance (-15.64%), and Restaurants and Food (-14.77%).

Alternatively, the industries that saw their cost per lead go up year over year were Physicians and Surgeons (58.42%), Sports and Recreation (56.82%), and Animals and Pets (47.69%).

**This year's overall CPL of \$66.69 is \$13.17 higher than last year's average of \$53.52.**

## How to improve your cost per lead

While it can be easy to get hung up on how your cost per lead compares to other businesses in your industry, it's important to focus on what matters to your business's bottom line and optimize for that.

Keeping in mind that there are some fluctuations and variations when it comes to cost per lead metrics, you may want to see how you can optimize all your campaigns across platforms to bring down your overall cost averages. For example, how you're attracting and tracking conversions will directly impact your cost per lead numbers.

“This data is actually very surprising—the gains in click-through rate seem to indicate that folks are getting less valuable traffic. Advertisers are doing a great job creating ads to get the user to click, but they may not be able to track the conversions, so cost per lead goes up,” said Navah Hopkins, PPC Evangelist at Optmyzr.

Navah added that there might also be “false positives” within an advertiser's conversion tracking. This could lead to more low-value actions (such as button clicks) being counted as conversions—skewing conversion numbers to appear higher. Automated bidding strategies would then be thrown off and start to overbid on less valuable ads. This means that businesses need to keep a careful eye on their conversion tracking set-up.

You can uncover more ideas to [lower your cost per lead here](#).

## CPL CHECKLIST

- Use prequalifying ad copy
- Target more specific keywords
- Allocate more budget to more cost-effective keywords
- Try out Microsoft Ads

# What the data means for you

If you're wondering how you can take action on these search advertising benchmarks, we've got you covered.

## 1. A holistic approach to your search ad strategy is key

While it can be easy to get preoccupied with individual platform performance, expanding your business's reach by running ads across multiple search engines is a way to maintain maximum overall marketing ROI.

### What you can do about it



By running search ads across multiple search engines, including Google and Bing, you can maximize your budget and offset potential cost increases.

## 2. AI and automation can boost result

Automation can help you keep your campaign optimized without sacrificing time or results. You can use automation and AI to simplify budget allocation, keyword management, and overall campaign optimizations.

### What you can do about it



It may take some trial and error, but look for AI-powered options within the platforms that work for your business; it can save you time and money in the long run.



**Don't overlook the AI-driven features within Google Ads, such as Performance Max, broad match, and Demand Gen campaigns. These can significantly streamline campaign management and drive results, provided they're fed with high-quality data.**

— Alessandro Colarossi, Partner Data Transformation Lead at Google

# 3. Data-driven conversion tracking and first-party data are more important than ever

The upcoming deprecation of third-party cookies has been a hot-button topic within the PPC community for some time now. That said, with the sunset of third-party data fast approaching, it's more important than ever to collect, organize, and act on your business's owned, first-party data.



## What you can do about it

“These benchmarks emphasize the necessity for a data-driven approach to target the appropriate audience and optimize campaigns for conversions across all touchpoints (including websites and landing pages) within today’s competitive advertising landscape. Testing various optimization and bidding strategies continues to be instrumental in maximizing campaign performance,” said Katia.

For example, your conversion tracking strategy should pivot to meet the new tracking capabilities Google has rolled out, like data-driven attribution modeling.

“My top tip for enhancing PPC results revolves around comprehensive conversion tracking and leveraging durable tactics to future-proof your setup. Implementing tools like Enhanced Conversions can provide invaluable insights into campaign performance and audience behavior,” said Alessandro.

# 4. Some metrics might thrive while others fluctuate

If you feel like your search performance is all over the place, you're not alone. As Google and Microsoft continue to test and change parts of the search journey, results will fluctuate.

“I don't think these metrics should be taken as a sign of doom and gloom. Rather, they represent the reality of the privacy-first world. If you're not able to connect your conversions, and if you're not able to spend to meet thresholds for modeling, you'll see the vanity metrics go up (like CTR), while conversion rates and CPL flounder.”

— Navah Hopkins, PPC Evangelist at Optmyzr



## What you can do about it

You may need to look at other metrics, like return on ad spend (ROAS), to get a clear picture of your search ad progress.

“ROAS helps you assess the profitability of your advertising efforts by measuring the revenue generated for every dollar spent on ads. It helps a lot with understanding how well a PPC campaign is doing when it comes to driving revenue,” said Goran.

So, while you may see a decrease in one metric, try to look out for other growth opportunities within your ad accounts.

A typical ad account could still recover from a poor search performance with the right first-party data.

## 5. Additional optimizations to ad assets are making ads more clickable

Not only are ads being incorporated into new search experiences, they also have the ability to blend in with organic results better than they have in the past—which may be why the data indicated an overall increase in CTR.

### What you can do about it



Take advantage of the optimization options available for your search advertising campaigns.



**We're seeing Google more aggressively add images to their ads with image assets, Google Business Profile image assets, logo assets, and automating those for new advertisers as well. Not only are the ads becoming more attractive, but Google is also making them look less like ads at the same time.**

— Mark Irvine, Vice President of Search at SearchLab

# In remembrance of Mark Irvine

Mark Irvine published WordStream's original Google Ads benchmarks in 2016, and if you've read any of our benchmarks reports since then, you've seen either his original reporting or insightful commentary.

Our team was deeply saddened to learn of Mark's sudden passing in early May. Mark was a beloved part of a widespread digital marketing community, known as much for his wit and his smile as for his brilliant data science and thought leadership.

He was particularly special to us here at WordStream, where he worked for over seven years. In his first role as a

PPC analyst in 2013, he quickly showed himself to be a rising star. Before long, he was simply a star, becoming a widely respected speaker at industry events and conferences around the world. He was also a prodigious writer and thinker, authoring and contributing to some of WordStream's most popular resources over the years (including this report).

Most of all, Mark was an inspiring person, a wonderful husband and friend, and we already miss him dearly.

**Our hearts go out to his family and loved ones.**



*Mark Irvine 1989 - 2024*

# Take action on these search advertising benchmarks

When it's time to measure your PPC performance, and you're not sure where to start, these benchmarks can be a guiding light. However, try to remember that no two Google Ads accounts are the same. What might work for one advertiser may not work for another. So, keep in mind that there is no right or wrong answer for how you approach your PPC strategy.

That said, using data like the averages in this report can help you make informed decisions about your marketing and advertising. The sooner you start to track and pivot your ad strategy, the better! Plus, if you find you still want more out of your PPC ads as you start optimizing your account, our solutions are here to help you make the most out of your search campaigns.

[Get a demo](#)

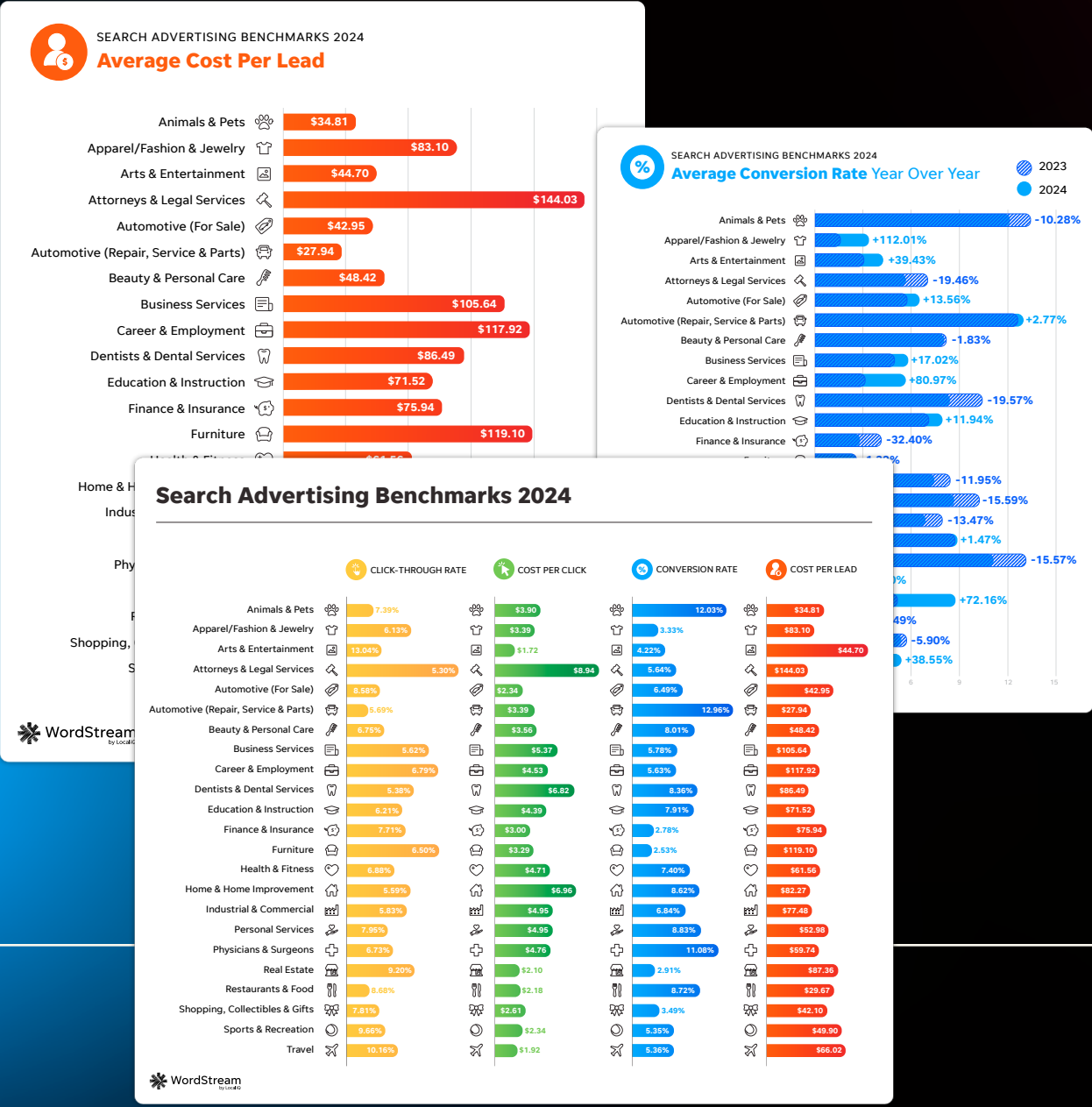
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[LinkedIn.com/LocaliQ](https://LinkedIn.com/LocaliQ)

[Facebook.com/LocaliQ](https://Facebook.com/LocaliQ)

[Instagram.com/LocaliQ](https://Instagram.com/LocaliQ)

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**About the Data**  
This report is based on a sample of 17,998 US-based search advertising campaigns running between Apr 1, 2023, and March 31, 2024. Each subcategory includes at minimum 70 unique active campaigns. "Averages" are technically median figures to account for outliers. All currency values are posted in USD.