



3Q Methodology



The Lin- Rodnitzky Ratio

3Q Digital's Simple Way to Measure Adwords Account Performance

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An Introduction to The Lin-Rodnitzky Ratio

“How are we doing?” This is the first question marketers ask us about their Google AdWords account. For a long time, we struggled with this question. We would go into lengthy explanations of PPC best practices and discuss conversion rates, account structure, and competitive benchmarking. Often this detailed analysis didn’t give the marketers any more comfort; it just created frustration. “OK,” they’d say, “I know I have to improve a lot of things in my account, but does that mean I’m absolutely terrible or close to perfection?”

The truth, of course, is that there is no easy answer to this question (if there was, people wouldn’t need SEM experts like us). We have, however, come up with a metric that at the very least is directionally useful. We call it the “Lin-Rodnitzky Ratio,” named after our company founders, Will Lin and David Rodnitzky. In its simplest sense, the Lin-Rodnitzky Ratio is defined as follows:

“Divide the overall account cost per conversion by the cost per conversion of all queries with at least one conversion to achieve the Lin-Rodnitzky Ratio.”

We’ll now walk you through how to determine your own account’s ratio, and some suggestions for how to improve your ratio going forward.

