

Figuring out how much you should invest in marketing your business online is an important decision. But with AdWords, you have the ability to set a fixed budget and monitor your results to make sure you're driving people to your website and gaining customers.

To create the right AdWords budget for your business you'll need to:

- Determine your business goals
- Calculate your budget
- Determine your cost-per-click

Determine your business goal

What do you want to achieve by marketing your business online? You may have several goals, but pick your top one and list it below. Be as specific as possible.

Business Goal:

Example: Sell 200 decorative lamps by the end of September

Calculate your budget

Unlike the traditional way of setting a marketing budget, which is by month, quarter or year, with AdWords you set a daily budget. Use your monthly marketing budget to calculate your daily AdWords budget.

\$ per month ÷ 30 days = \$ per day

Example: \$300 per month ÷ 30 days = \$10 per day

To view your recommended budget or edit your current budget and account settings, visit the **Settings** tab of your campaign.

Determine your cost-per-click

Now that you've determined your top business goal and calculated your daily budget, determine how much to spend for each click on your ad — your cost-per-click (CPC). If you are new to online advertising, or you're unsure of how much you should spend per click, use the AdWords **Traffic Estimator Tool** to find an appropriate bid.

1. Visit adwords.google.com/select/KeywordToolExternal and select the Traffic Estimator tool from the top left.
2. Enter 5-10 keywords (words related to your products or services). For best results, choose 2-3 word keywords related to your products or services (e.g. 'black leather sandals' rather than just 'sandals'). For keyword suggestions, check out the **Keyword Tool**.
3. Enter the maximum CPC that you're willing to pay each time a potential customer clicks on your ad.

4. Once you click **Estimate**, you'll find an estimated number of monthly searches, average CPC (the amount you'll actually pay per click), ad position, daily clicks, and daily cost for each keyword. You'll also find a summary of your estimated total clicks and costs. Raise or lower the CPC or daily budget to see how results may vary.

You can change your budget or CPC at any time.