



## What is Google's Plan for the Grant?

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Google Grants have long been an important part of non-profits' efforts to promote their missions and attract new audiences to their websites. Today, the rules of the Grant have shifted (quite dramatically) and left many organizations trying to determine the best use for their Grant, how to replace a sudden drop-off in traffic, and what could be coming next.

### **A Brief History**

When the Grant was first made available in April 2003, it was offered with the intention of sharing Google's philosophy of community service to help the world by providing \$10,000 of in-kind advertising dollars. In December of 2010, Google increased their commitment to philanthropic ventures by offering Grants of \$40,000 to qualified charities under their "Grants Pro" program. Then in December 2012, Google abruptly stopped accepting new Grants Pro applications. It appeared that even Google's generosity has limits, and understandably so.

Flash forward to the fall of 2017 when many non-profits that were maintaining their \$40K Grants Pro level were suddenly, without warning, downgraded to a standard \$10K Grant. This was the first sign that Google may be re-evaluating their altruistic commitment. Shortly thereafter, Google announced that, effective January 1, 2018, new rules would go into effect for the standard Grant and Grants Pro alike. With only a few weeks to adapt, non-profits and their consultants scrambled to comply. The new rules included:

- Accounts must maintain a minimum 5% CTR
- Non-profits cannot buy branded keywords they do not own
- Keywords must have quality scores of 3 or higher
- Campaigns must have at least two ad groups with at least two ads running in each
- Accounts must also have at least two sitelink extensions active
- Accounts must have geo-targeting
- Most single-word keywords are prohibited



But the changes didn't seem to be all bad news, because Google simultaneously lifted the \$2.00 bid cap. However, it didn't take long for non-profits to begin to realize that this olive-branch might bear less fruit than they had hoped.

In the wake of these rapid-succession changes to the Grant policy (some announced, and others like the downgrade of many non-profits to the \$10K level unannounced), many agencies and non-profits sought guidance from Google's Grant Support Staff.

Unfortunately, these individuals proved to be as elusive as the American western jackalope. Still today, they are woefully understaffed to serve the 35,000 non-profits who participate in the Grant program, and it seems to many that when they are responsive, their information is incomplete, imprecise, or simply inaccurate. Undoubtedly much of this miscommunication is due to unclear, or continually evolving, information flow from the higher decision-makers within Google, but it has made managing Grants increasingly difficult.

### **Impacts of the January 1 Rules**

The headline of the January 1<sup>st</sup> rules changes was the welcome removal of the \$2.00 bid cap when campaigns use the Maximize Conversions bid strategy. This bid cap had previously limited the Grant to more low-intent keywords and campaigns because higher-intent campaigns couldn't compete with higher bids from paid campaigns of non-profits with deeper pockets. Now it seemed as if smaller non-profits would have more of a level playing field.

But the reality soon emerged that no matter what amount was bid through the Grant program, any paid campaign would be ranked higher by Google. For instance, if your Grant program bid \$5 per conversion, and a competitor bid \$1 through a paid account, the competitor will get the higher placement. The other issue with using a maximize conversion bid strategy is that it does not optimize towards the required 5% CTR, which is counter-intuitive to the policy set in place. Instead, this strategy looks for users who are more likely to convert, which may impact traffic and CTR by extent.

### ***Think Smart***

This was a very clear signal from Google that it was philanthropic only to the point where it impacted their bottom line. This was a dramatic shift from the true goodwill expressed in



establishing the Grant program in 2003. It also raises questions about the best purpose for today's Grants.

The second major rule change was the 5% conversion rate minimum. This was monitored at the account level, not by campaign, which means that, theoretically, a well-balanced account could still comply with this stipulation, and also continue to drive significant "free" traffic. But the reality proved different and recently, some non-profit accounts have been suspended due to keywords being flagged for a <5% CTR. Even at the account level, this high threshold has significantly disrupted the reach that non-profits were previously enjoying from their Grant campaigns.

The third rule change of notable impact was the banning of most single-word keywords. While it likely accomplished its intended effect of improving the quality of content that users accessed from search queries, it also had the very real impact of diminishing the amount of site-traffic non-profits realized from the Grant. Coupled with fewer keywords due to the 5% rule, charities are now feeling the pinch of a much constrained impact from the Grant program.

Most recently, the rule that Further's clients are being challenged with is the quality score of 3 or higher. The biggest difficulty is that Google does not always provide a quality score for keywords to Grant managers. So, a keyword with low search volume will not have a quality score in the Google interface, however on Google's backend it could be flagged as a low-quality term and be a cause for account suspension. In essence, in certain areas we are being blindfolded in our ability to effectively manage the accounts to Google's standards.

### **What is Google's Plan for the Grant?**

Obviously, there is no way to guarantee what Google's braintrust has in store for the Grant. But based on recent policy changes and other behaviors, a reasonable reading of the tea leaves leads us to conclude that the Grant is likely on its way to extinction. The screws keep tightening and new policies lean heavily toward Google's self-interest of forcing non-profits to pay for search placement which they previously received for free under the Grant.



### **What Course Should Non-Profits Chart?**

In light of the current policies and the performance changes they have caused, and regardless if future changes to the Grant program are on the horizon or not, non-profits are advised to begin reshaping their expectations of how the Grant fits into their fundraising and marketing efforts.

The most common concern our clients have expressed since January is not actually a reduction in revenue from the Grant. The more concerning trend within non-profits appears to be declining site traffic.

This can be a gnarly situation to manage because there are often many internal departments who have come to rely on a Grant over time. This can instigate difficult conversations within an organization over who ultimately controls the Grant, and which marketing or fundraising goals and metrics should take priority.

The reality is that no matter who controls the Grant, if site traffic is the primary concern, non-profits may need to take a hard look at the facts and realize that Google's stated priority (driving more relevant traffic) is at direct odds with these non-profit interests who value quantity over quality.

As far as fundraising is concerned, Further is beginning to advise our clients that 'owning' the Grant may be a battle that isn't worth fighting. Compared to paid search, the revenue impact of the Grant is minimal in most cases and the volume of gifts that can be raised through paid search, far outweighs the 'free' aspect the Grant affords.

Ideally, development departments would retain control over both paid and Grant in organizations that prioritize revenue generation, but if that doesn't describe your organization's priorities, it might be time to focus your efforts elsewhere than on the Grant. It's unlikely that the Grant will ever resume its dominant role in site traffic and therefore you're better off not wasting your time on non-revenue generating activities.

*A point of consideration for those organizations who still primarily value the Grant for traffic purposes—perhaps Google isn't all wrong. It may be time to focus on generating fewer, but higher quality, site visits and work to maximize those opportunities. No retailer has ever*



stayed in business simply through the number of customers that walk through its doors and leave empty-handed. Historically most Grant campaigns were averaging 1-4% conversion rates before January 2018. With a 5% conversion rate you can sustain 50% fewer site visits over a 2.5% converting campaign if you are looking at engagement over simply traffic.

### **Final Thoughts**

Did you know that Further has been designated as Premier Agency Partner by Google? According to Google we are the only agency focused solely on non-profits who holds this distinction.

What this means is that we have a dedicated Google representative who is vested in helping our clients maximize their success. It also means we get preferred access to products Google launches in beta-testing such as the recent pay-per-conversion AdWords.

Further's thought-leadership, coupled with high-level access to Google's engineers and product teams, allows our clients to outperform the competition across all Google platforms. For a case study on what this looks like in practice, [check out](#) how we helped Catholic Relief Services increase search revenue ten-fold after we applied our best thinking to their combined Grant and paid accounts.