

STEP-BY-STEP GUIDE · PAID ADS

HOW MUCH SHOULD A SMALL BUSINESS SPEND ON GOOGLE ADS?

There's no single right answer, and anyone who gives you one without asking about your business is guessing. The good news: you can work out a sensible starting budget yourself from three numbers. What a customer is worth, how often visitors enquire, and what a click costs in your area.

By **Jack Easterbrook** 8 steps 8 min read Updated September 2026



BEFORE YOU START

- ☐ A rough idea of your average job or order value
- ☐ Roughly how many enquiries turn into paying customers
- ☐ A Google Ads account (Keyword Planner is free inside it once billing is set up)
- ☐ Your service area: the towns or radius you actually cover

Good to know: Google Ads budgets are set per day, per campaign. Google can spend up to twice your daily budget on a busy day, but you won't be charged more than 30.4 times your daily budget in a month.

THE STEPS TICK EACH ONE OFF AS YOU GO

1

Work out what a customer is worth

Start with your average job or order value. If customers come back, think about what they spend with you over a year. This is the ceiling on what you can afford to spend winning one.



2

Decide what you'd pay for an enquiry

If you win about 1 in 3 enquiries, each enquiry is worth roughly a third of a customer. Decide how much of that you're happy to spend to get one, leaving room for your costs and profit.



3

Check what clicks cost

In Google Ads, open Keyword Planner (under Tools → Planning) and search for your main services in your area. The top of page bid ranges show roughly what a click costs, and the forecasts estimate clicks and conversions for a given spend.



4

Estimate your conversion rate

What share of website visitors send an enquiry? If you've set up GA4 key events, you can see it. If not, be cautious: new campaigns rarely convert as well as you'd hope at first.



5**Do the maths**

Enquiries you want $\div$ conversion rate = clicks you need. Clicks you need $\times$ cost per click = monthly budget. Monthly budget $\div$ 30.4 = daily budget. There's a worked example further down, or let our [enquiry cost calculator](#) do the maths.



DONE

6**Start focused**

Put the budget into a Search campaign for your most profitable service, in the areas you actually cover. A tight campaign with enough budget beats a thin one spread across everything.



DONE

7**Set up conversion tracking first**

Before you spend a penny, make sure enquiries are tracked as conversions, ideally by importing your GA4 key events. Without it, Google optimises for clicks, not customers.



DONE

8**Give it time, then adjust**

Let the campaign gather data for a few weeks before judging it. Check the search terms report, add negative keywords for irrelevant searches, then move budget towards whatever brings enquiries.



DONE

THE MATHS, WITH MADE-UP NUMBERS

Say you want 10 enquiries a month, 1 in 20 visitors enquires (a 5% conversion rate) and clicks cost £2. That's $10 \div 0.05 = 200$ clicks, and $200 \times £2 = £400$ a month, or about £13 a day. These figures are only here to show the sums, not a benchmark: use your own from Keyword Planner and GA4.

BEST-PRACTICE TIPS

A**Budget for a learning month**

Only commit what you can afford if the first month is mostly learning. It often is.

K**Don't spread it thin**

If the maths says you can't afford every service, pick one. Doing one thing well beats doing five badly.

Q

Negative keywords matter

Add words like jobs, free, DIY or course as negatives if they're not relevant, so you don't pay for the wrong clicks.

J

Check location options

Choose people in or regularly in your target areas, not just people showing interest in them.

10

Watch cost per enquiry

Clicks and impressions are nice. Cost per enquiry (and per customer) tells you whether it's working.

9

Your landing page counts

A slow or confusing page wastes clicks you've paid for. Send people to the page that matches what they searched for.

A

Review it monthly

Look at spend, enquiries and cost per enquiry every month, and move budget to what brings customers.

QUESTIONS, ANSWERED

Is there a minimum spend?

Google doesn't set a meaningful minimum. But a budget that only buys a handful of clicks a day takes a long time to show you what works.

Why did I spend more than my daily budget?

Google can spend up to twice your average daily budget on a busy day and less on quieter ones. Over a month, you won't be charged more than 30.4 times your daily budget.

How long before I see results?

Ads can bring clicks from day one, but give a campaign a few weeks to gather data before you decide what's working.

Should I manage it myself?

You can, and this guide gets you started. The time sink is the ongoing work: search terms, negatives, bids and ad tests. That's where getting help pays off.



Written by Jack Easterbrook

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Sources

- Choose your bid and budget (Google Ads Help): <https://support.google.com/google-ads/answer/2375454>
- About average daily budgets (Google Ads Help): <https://support.google.com/google-ads/answer/6385083>
- Use Keyword Planner (Google Ads Help): <https://support.google.com/google-ads/answer/7337243>

The online version of this guide, with any updates, is at jaedigital.co.uk/advice/google-ads-budget/.

got stuck? no shame in it

SHORT ON TIME? **WORK WITH US.**

This is our day job. Tell us where you got to and we'll pick it up from there, finish it with you, or take the whole thing off your hands. Discovery calls are free and take 30 minutes.

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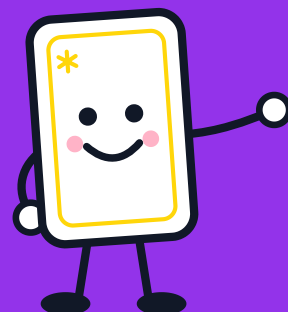
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