

IMPACT OF GOOGLE ADS ON CUSTOMER ENGAGEMENT AND RETENTION STRATEGIES

Chinmay Vaidya ¹, Prashant Patil ², Dr. Karuna Gole ³

^{1,2} Student MBA Semester IV Marketing, ³ Associate Professor
^{1,2,3} JSPM University Pune

ABSTRACT

This study examines the impact of Google Ads on customer engagement and its subsequent influence on customer retention strategies in the digital marketing environment. With the increasing shift from traditional advertising to data-driven digital platforms, understanding how online advertisements affect consumer behaviour has become essential. The research integrates concepts from digital marketing, consumer behaviour, and relationship marketing to analyse how engagement metrics such as click-through rate, website interaction, and time spent on site contribute to long-term customer retention. Using a quantitative research approach, data was collected through structured questionnaires and analysed using statistical tools such as correlation and regression analysis. The findings indicate that while Google Ads effectively generate customer engagement and brand awareness, their direct impact on long-term customer retention remains moderate. Remarketing strategies show stronger influence on repeat engagement, but personalization alone does not significantly enhance loyalty. The study highlights the need for integrated, customer-centric strategies to convert engagement into sustained relationships.

Keywords: Google Ads, Customer Engagement, Customer Retention, Digital Marketing, Remarketing, Consumer Behaviour, Online Advertising.

INTRODUCTION

In the contemporary business environment, digital transformation has fundamentally reshaped how organizations communicate with customers. Traditional advertising channels such as print media and television have been supplemented by digital platforms that provide measurable, targeted, and real-time communication. Among these platforms, Google Ads has emerged as one of the most significant tools for online advertising.

Customer engagement and retention have become central to modern marketing strategies. Engagement refers to the level of interaction, emotional connection, and behavioural involvement customers exhibit toward a brand, while retention focuses on maintaining long-term relationships. Although Google Ads effectively

captures attention and generates interaction, its role in fostering long-term customer loyalty remains an area requiring deeper academic investigation.

This study explores how Google Ads influence customer engagement and whether such engagement translates into sustainable customer retention.

CONCEPTUAL BACKGROUND

Google Ads operates on a data-driven advertising model that enables businesses to target users based on keywords, demographics, and behaviour. Engagement metrics such as click-through rate (CTR), impressions, and session duration serve as indicators of advertising effectiveness.

From a theoretical perspective, this study is grounded in relationship marketing, which emphasizes long-term customer relationships over short-term transactions. Engagement acts as a mediating factor between advertising exposure and customer retention. When customers interact with ads and explore websites, they develop familiarity, trust, and potential loyalty toward the brand.

Remarketing strategies further strengthen this relationship by targeting users who have previously interacted with the brand, thereby enhancing recall and increasing the likelihood of repeat purchases.

THEORETICAL FRAMEWORK

The study integrates multiple theoretical perspectives:

- **Relationship Marketing Theory:** Focuses on building long-term customer relationships through engagement and value creation.
- **Customer Engagement Theory:** Suggests that cognitive, emotional, and behavioural interactions drive loyalty.
- **Hierarchy of Effects Model:** Explains how awareness leads to interest, desire, and ultimately action (purchase).
- **Behavioural Targeting Theory:** Highlights how personalized advertisements influence customer decision-making.

These frameworks collectively explain how digital advertising influences both short-term engagement and long-term retention.

METHODOLOGY

Research Design

The study adopts a descriptive and analytical research design to understand customer behaviour and examine relationships between variables.

Research Approach

A quantitative approach and Convenience sampling was used, involving structured questionnaires.

Data Collection

- **Primary Data:** Collected through Likert-scale questionnaires
- **Secondary Data:** Journals, research papers, and online sources

Sampling Design

- **Population:** Internet users exposed to Google Ads
- **Sampling Technique:** Convenience sampling: Used due to ease of access, time efficiency, and availability of respondents for quick data collection.
- **Sample Size:** 100 respondents

Variables

- **Independent Variable:** Customer Engagement
- **Dependent Variable:** Customer Retention

Data Analysis Tools

- **Percentage Analysis:** Used to show the proportion of responses for easy understanding of data distribution.
- **Mean & Standard Deviation:** Used to measure the average response and the variability in the data.
- **Correlation Analysis:** Used to identify the strength and direction of relationship between variables.
- **Regression Analysis:** Used to analyse the impact of one variable on another and predict outcomes.

DATA ANALYSIS AND INTERPRETATION

Sample size: 100

1. Age Distribution

Age Group	Respondents	Percentage
18–24	55	55%
25–34	25	25%
35–44	12	12%
45+	8	8%
Sample size	100	100%

Interpretation:

Majority respondents are young (18–24), indicating higher digital engagement among youth.

2. Click on Google Ads

Response	Respondents	Percentage
Yes	78	78%
No	22	22%
Sample size	100	100%

Interpretation:

High percentage indicates strong engagement potential of Google Ads.

3. Visit Website After Clicking Ads

Response	Respondents	Percentage
Yes	70	70%
No	30	30%

Response	Respondents	Percentage
Sample size	100	100%

Interpretation:

Indicates effective post-click engagement.

4. Purchase After Clicking Ads

Response	Respondents	Percentage
Yes	42	42%
No	58	58%
Sample size	100	100%

Interpretation:

Shows a gap between engagement and conversion.

5. Impact of Remarketing Ads

Response	Respondents	Percentage
High	48	48%
Moderate	32	32%
Low	20	20%
Sample size	100	100%

Interpretation:

Remarketing significantly influences repeat engagement.

6. Correlation Analysis

- Correlation between Engagement & Retention = **0.62**

Interpretation:

Moderate positive relationship exists.

7. Regression Analysis

Regression Equation:

$$\text{Retention} = 0.45 + 0.58 (\text{Engagement})$$

Interpretation:

Engagement has a significant positive impact on retention but is not the only factor.

FINDINGS AND DISCUSSION

The study reveals several key insights:

- Majority of respondents belong to the **18–24 age group**, indicating dominance of young consumers.
- Google Ads are effective in generating **initial engagement**, especially when ads are relevant.
- A significant number of users explore websites after clicking ads, indicating strong **post-click engagement**.
- Engagement does not consistently translate into **purchase behaviour**, highlighting a conversion gap.
- **Remarketing ads** are more effective in encouraging revisit behaviour and repeat engagement.
- **Personalized ads** do not significantly improve customer loyalty, suggesting limitations in current targeting strategies.

Overall, Google Ads are effective for awareness and engagement but less effective for long-term retention.

IMPLICATIONS FOR MARKETING PRACTICE

The findings suggest that marketers should:

- Focus on **ad relevance and targeting accuracy**
- Improve **content quality and informativeness**
- Optimize **landing page experience** for better conversion
- Use **remarketing strategically** without overexposure
- Integrate Google Ads with other digital channels
- Shift focus from **short-term clicks to long-term relationships**

LIMITATIONS OF THE STUDY

- Focus limited only to Google Ads
- Use of **self-reported data** may introduce bias

- Short duration of study limits long-term insights
- Limited geographical and demographic representation

FUTURE RESEARCH DIRECTIONS

Future studies may explore:

- Comparison of Google Ads with other platforms (social media, email marketing)
- Longitudinal analysis of customer retention
- Role of AI and predictive analytics in advertising
- Cross-cultural differences in digital engagement

CONCLUSION

This study concludes that Google Ads are highly effective in generating customer engagement and brand awareness. However, their ability to convert engagement into long-term customer retention remains limited. While remarketing strategies improve revisit behaviour, personalization alone does not guarantee loyalty.

To maximize effectiveness, businesses must adopt a holistic digital marketing approach, integrating engagement strategies with customer experience, relationship marketing, and data-driven insights. Ultimately, the success of Google Ads lies not just in attracting customers, but in sustaining meaningful and long-term relationships.

REFERENCES

Research Papers & Journals

1. Ikenna, U. M., Onwuegbuchulem, N. C., & Ezinwanne, A. C. (2024). *Evaluating the Impact of Customer Engagement on Customer Retention for Sustainable Bank Operations*. AB Journals.
2. Adekunle, B. I., & Chukwuma-Eke, E. C. (2023). *Improving Customer Retention through Machine Learning: A Predictive Approach to Churn Prevention and Engagement Strategies*. Journal of Scientific Research.
3. Bansal, R., & Chaudhary, K. (2016). *Impact of Customer Engagement Strategies Adopted by Indian Mobile Service Providers on Customer Loyalty and Retention*. International Journal of Knowledge and Research in Management.
4. Celestin, M., Sujatha, S., & Kumar, A. D. (2024). *Leveraging Digital Channels for Customer Engagement and Sales: Evaluating SEO, Content Marketing, and Social Media for Brand Growth*. International Journal of Research.

5. Mohaimin, M. R. (2025). *The Influence of Google Analytics on E-commerce: Enhancing Customer Insights and Business Performance*. Journal of Business and Management Studies.
6. Kotler, P., & Keller, K. L. (2016). *Marketing Management*. Pearson Education.
7. Kumar, V. (2018). *Customer Relationship Management: Concept, Strategy, and Tools*. Springer.
8. Google. (n.d.). *Google Ads Help Center*. Retrieved from <https://ads.google.com>
9. Google. (n.d.). *Google Analytics*. Retrieved from <https://analytics.google.com>

Project Data Source

- Primary data collected through structured questionnaire (Survey method).
- Secondary data collected from journals, books, and online sources.

Copyright & License:

© Authors retain the copyright of this article. This work is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.