

Smart Bidding Training - Sebo

Tuesday, April 28, 2020




11:18 AM

Smart Bidding Deep Dive

- 01.**
Use the Recommendations tab to find the campaigns with predicted uplift by switching to a Smart Bidding strategy.
- 02.**
Make sure you have conversion alignment between Google Ads and Media Platform.
- 03.**
Implement Smart Bidding and sync into Media Platform.
- 04.**
Remove campaign(s) from Media Platform bid strategies.
- 05.**
Follow our Smart Bidding implementation guidelines.

Why Smart Bidding performs even in a dynamic market

Understand the differences of Smart Bidding

 Auction-time + proactive bidding Proactively achieving a goal with every single auction, not just a batch of historical data.	 Cross-signal for every conversion and auction Measures and bids with all signals combined, then layers on proprietary signals.	 Uses account-wide conversion data Captures recent + aggregated trends across all conversions, while still respecting goals.
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High-level impacts to Smart Bidding strategy

Scenario	Description	Smart Bidding Guidance
Decreased demand	"We need to make major changes with Smart Bidding." How do we get even more efficient? How do we control it?	Become more efficient with goals + potentially introduce constraints.
Assessing	"We need to be flexible, and act quickly and efficiently." Where do we capture demand that changes? How to measure?	Smart Bidding will factor in dynamic trends - but ensure how to accurately forecast + act.
Shifting strategy	"We need to translate our shift into digital media" How do we translate our offline goals into digital?	Update conversions, be flexible with initial volumes to grow, and use automated campaigns.
Increased demand	"We need to capture unforeseen growth and be flexible." Are we capturing the most volume? Is Smart Bidding capable?	Remove all/most constraints to get the most volume at a given goal.

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Forecasting + acting on demand

What guidance overlaps across most scenarios?

Understand how to forecast Smart Bidding performance in dynamic markets

Understand where to turn for forecasting Smart Bidding performance

- Performance Planner: start here to aggregating forecasts across the account + plan with recent trends.
- Goal Raising Recommendation: get the most conversions relative to cost increase needed.
- Target /Budget Simulator: forecasting lift across each campaign or portfolio.



Keep up to date with forecasts in dynamic markets

- Check forecasts weekly to capture recent trends if you've seen major swings in demand or performance.
- For greater uncertainty, adjust your plan with your assumptions
- Prioritize other impactful tasks to make forecasts more accurate

The standard growth best practices apply if you want volume

What guidance overlaps across most scenarios?

Giving Smart Bidding more flexibility to drive volume at a given goal



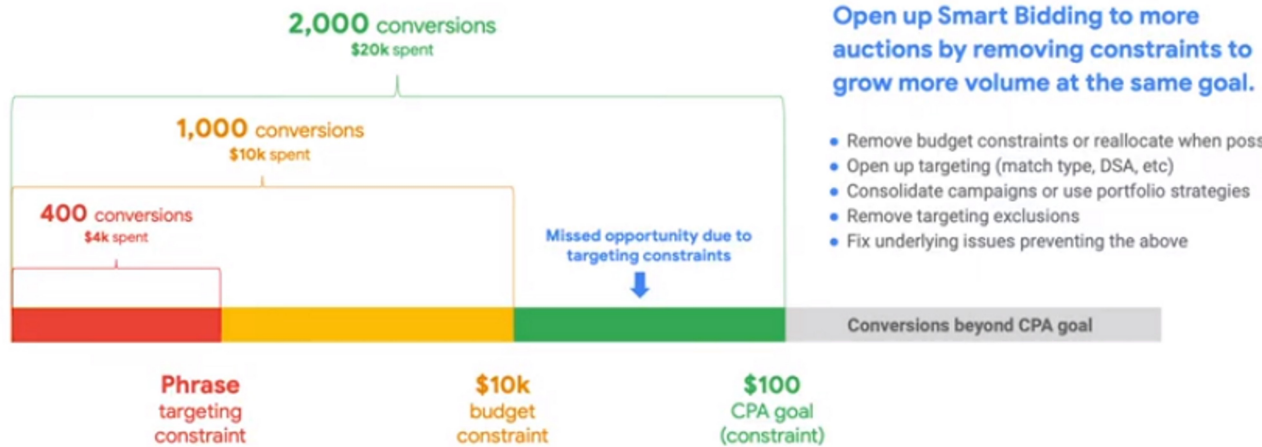
Open up Smart Bidding to more auctions by removing constraints to grow more volume at the same goal.

- Remove budget constraints or reallocate when possible
- Open up targeting (match type, DSA, etc)
- Consolidate campaigns or use portfolio strategies

The standard growth best practices apply if you want volume

What guidance overlaps across most scenarios?

Giving Smart Bidding more flexibility to drive volume at a given goal



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Potential use of major adjustments + constraints

What guidance overlaps across most scenarios?

Smart Bidding is capable of handling major adjustments

Goals

Although not ideal, Smart Bidding goals can be adjusted as often as needed

- If your marketing objectives change frequently due to external factors, you can adjust Smart Bidding goals as often as needed to match these objectives to Smart Bidding strategies.
- Bids immediately factor a new SB goal, but expect a few conversion cycles to see the new target attained.
- Smart Bidding already picks up on dynamic swings, so make adjustments for external reasons - not for simply trying to increase Google Ads conversions at an overall CPA/ROAS goal.

Constrain, pause, or exclude if external factors require it

- Introduce budget constraints if you are having difficulty forecasting spend with Smart Bidding goals in a dynamic market.
- Pause or exclude targeting where needed to better inform Smart Bidding of external factors or help prioritize profitable segments.

Other tips

- Do not over-optimize with too recent of data (e.g. 7-14 days is too soon)
- Understand conversion volume levels will change with goal and targeting adjustments.

Revisiting branded terms

• What guidance overlaps across most scenarios?

What to do if there is a large increase in search demand for your brand

Goals

Identify what is your primary goal with your brand: Impression Share or CPA/ROAS?

- Understand that unless you're on Target CPA/ROAS, your brand keywords' CPA/ROAS could fluctuate
- You may want to revisit your Target Impression Share goals if currently using it.
- There are benefits of using either tIS or tCPA/tROAS during large surges in brand demand

Benefits of Target IS

- Continue to own brand auctions during large increases in brand demand
- Own the narrative with specific ad copy for all/most brand searches.
- Can adjust IS goals and CPC limits to try to improve efficiency

Benefits of Smart Bidding strategies

- Bids auction-time with account-wide conversion data.
- Ensures competitive auctions are entered if they may drive your conversion goals.
- Will capture large increases in demand - but only if they achieve your conversion goals.

Testing or rolling out Smart Bidding

• What guidance overlaps across most scenarios?

Dynamic markets do not mean the end to the ongoing pursuit of media sophistication

Test

Split test (Draft and Experiment)

- Higher conversion volume and shorter conversion delay usually brings in faster test results
- Can be used to test opening or excluding targeting (time of day, keyword match type, geo, etc).
- Understand that any major optimizations should be equally applied in bidding (CPA in experiment + CPC in control)

Pre/post (tactics not eligible for Draft and Experiment)

- Compare Smart Bidding results within one dynamic period (not comparing data before and after geos were paused).

Full or large migration (needs to bring Smart Bidding lift right away)

- Leverage portfolio bid strategies + shared budgets as much as possible.
- Could use multi-campaign draft and experiment beta for testing large sections of the account.

Adopt a best practice and it'll be used in the next auction

What guidance overlaps across most scenarios?

Once a best practice or adjustment is implemented, **Smart Bidding** will factor in that optimization in the next, immediate auction.

Other best practices and capabilities will help align Smart Bidding to your critical business objectives (and situation) in a dynamic market.



Decreased demand tactics

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Scenario: need immediate efficiency

What guidance overlaps across most scenarios?

Situation

- Now has more stricter target CPA/ROAS goals
- Lower performance volumes
- Little to no demand for product and services

Example

Travel client that has seen a large drop in demand for traveling, that needs to immediately achieve efficiency to justify ad spend.

Priority tactics

- Goals:** Apply stricter tCPA/tROAS goals (or switch to tCPA/tROAS) + use forecasts to gauge impact.
- Spend:** control volumes with adjusting tCPA/tROAS goals (or budget with Max strategies).
- Constraints:** Add business constraints such negative keywords, ad scheduling, geos, etc.
- Conversion hygiene:** reduce duplicated conversions, only bid towards primary conversion KPIs, etc.
- Formats:** pause lowest performing + least efficient formats.

Potential pitfalls

- Too efficient of Smart Bidding goals causing most spend to drop
- Overly segmented accounts making trends difficult to assess at campaign-level

Scenario: in an overly-dynamic market

Situation

- Various external factors causing major + frequent adjustments to marketing objectives
- Needs to lower budgets quickly
- Most likely paused large sections of account

Example

Medical supplies client that may have to adjust due to local and national government policy

Example

Retailer seeing spikes in demand, but only in very specific markets

Priority tactics

- 🚩 **Goals:** Adjust CPA/ROAS goals as often and as large as needed to match external factors to goals.
- ⚡ **Forecast:** Review forecasts often to ensure latest changes to account and demand are forecasted.
- ↔ **Constraining:** If forecasting proves difficult, layer additional constraints if external factors require it.
- 🔄 **Reactivate:** use conservative budgets + goals to start, and adjust with time to get volume.

Potential pitfalls

- Overreaction with data that is too recent, or getting too granular
- Large increases in spend with a large increase in CPA/ROAS goal
- Confusion on understanding Smart Bidding full "capabilities", versus a standard "best practice"



Scenario: mostly status quo, but with less demand or supply

Situation

- May be mostly status quo now...but with uncertainty ahead.
- Experiencing a dip in overall demand, but not enough to make major changes.
- Seeing demand, however having business challenges (manufacturing halt, supply chain bottleneck).

Example

Clothing company still seeing similar demand levels, but having supply issues from a few overseas factories.

Priority tactics

- 📋 **All standard growth practices apply:** NLC, removing constraints, open up targeting, portfolios, etc.
- 🚩 **Goals:** try to reduce adjustments to receive performance at same CPA/ROAS goal
- 🚩 **Goals:** translate Smart Bidding goals to align with external factors (geo, product groups, audiences, etc)
- ↔ **Constraints:** pause where needed
- ⚡ **Forecasting:** operationalize forecasts to ensure recent conversion trends are factored into analysis

Potential pitfalls

- Not understanding that Smart Bidding is already maximizing volume under a given goal
- New to Smart Bidding, and may want to move to manual CPC/eCPC to gain more control.



Scenario: translating to digital or mostly new to Google Ads

Situation

- Shifting large segments of business into Google Ads, unfamiliar with newer tactics
- Wants to grow upper funnel

Example

CPG brand shifting more spend to capture shifts in media impressions.

Priority tactics

- Planning:** Keyword Planner + Audience Insights helps deliver initial insights into category demand
- Use Smart Bidding + automated campaigns:** reduce advertiser learning curve of figuring out bidding/structure/creatives
- Website Hygiene:** Update any relevant information to reflect business pivot (hours of operation, shipping, etc)
- Conversion:** Update conversion actions to reflect or align closer to new business objectives

Potential pitfalls

- Inheriting incorrect goals from other media channels, tactics, or formats.
- Not valuing customers appropriately (using "vanity" conversions, last click, etc).
- Legacy or other incorrect hypothesis impacting overall growth (e.g. too focused on specific keywords)
- Assessing formats too early without giving it time to ramp up
- Under-optimization: not updating creatives, not adjusting goals or removing constraints if they constrict volumes, etc.



Scenario: shifting from offline to online retail

Situation

- Offline retailer pivoting to online
- Needs to adjust their Google Ads campaigns to reflect their new objectives

Example

Luxury retailer moving advertising to capture more ecommerce orders.

Priority tactics

- O2O:** Remove all closed stores from Local Campaigns to let Smart Bidding know to not drive store visits to closed sites.
- Targeting:** Adjust budgets & targets based on predictable demand spikes such as promotion or store closures that will change conversion rates drastically.
- Conversion:** Update conversions to reflect shift in business KPI.
- Shopping:** Use SSC to scale across networks for volume, feed hygiene, operationalize GMC (check warnings, etc.)

Potential pitfalls

- Inheriting incorrect goals from other media channels, tactics, or formats.
- Assessing too early after launching new digital tactics.
- Dropping valuable conversions that are temporarily not receiving traffic (store visit conversions)

Scenario: seeing surge in demand, wants to capture volume

Situation

- Seeing demand and has growth capability
- Concern on growing volume while maintaining efficiency
- Potential inventory/capacity/market issues, but not yet
- Sees large industry demand, but concerned not capturing full potential

Example

Online course provider seeing immense demand due to local policies.

Priority tactics

- ⚙️ **Forecast:** adjust goals if volume targets are not achieved
- ★ **All standard growth practices apply:** NLC, removing constraints, open up targeting, portfolios, etc.
- 📊 **Invest** into upper funnel initiatives to capture new potential customers (TrV for Action, DDA)
- 📢 **Automated campaigns:** Leverage smart campaigns to capture wider ad inventory (SSC, SDC, DSA)

Potential pitfalls

- Large increases in spend with a large increase in CPA/ROAS goal
- Not able to deal with increasing demand and other logistic issues (website UX issues, running out of stock, etc.)
- Do not set it and forget it: analyze and forecast frequently

Pitfalls during dynamic markets

Ensure ongoing performance by limiting pitfalls and adopting wider best practices

New pitfalls developed during turbulent times

- Looking at too recent of trends since you've experienced swings
- Making large adjustments with very specific or granular data
- Implementing more aggressive goals to get more 'efficient' conversions
- Modeling leads and/or LTV now becoming difficult during swings

Old pitfalls becoming more of an issue during turbulent times

- Determines success with too recent of data
(e.g. Prev 7 days)
- Doesn't understand or factor in Google Ads conversion delay
- Lack of best practice adoption causing issues on capturing dynamic demand
(e.g. last click attribution)

Prevent over-optimization with recent data

Timelines may vary depending on your conversion volume
(e.g. lower volume = longer time frames)

Ensure recent conversion analyses
factors in campaign conversion delay

21-28 Days + conv delay

- Act on primary KPI trends
- Rerun forecasts on Day 14
- Validate granular data (e.g. campaign-level)

14-21 Days + conv delay

- Validate recent conv trends
- Rerun forecasts on Day 7
- Assess primary KPIs
- Goal adjustments (if applicable)

1-14 Days + conv delay

- Click + impression volume
- Note any conversion trends
- Assess secondary KPIs
- Budget adjustments

Same-day

- Clicks + impressions
- Ads are live

Conversion hygiene to reduce wasted spend

Steps to further improving Smart Bidding precision in a dynamic market

Fundamental

Hygiene to improve Smart Bidding precision + efficiency

- Ensure duplicated conversions and other pixel mis-fires are fixed to reduce wasted spend
- Smart Bidding will bid more aggressively if it can get multiple (e.g. duplicated) conversions in the same click - even with a CPC beyond the CPA goal.

Better

Updating existing conversions to align with business objectives

- Use non-last click to ensure automation serves on upper funnel if it helps deliver conversions
- Create or update conversion values to better align with new goals, such as store visits or lead generation efforts.

Advanced

Import new conversions aligned with business objectives

- Aligning Google Ads conversions closer to your business objectives may mean less adjustments Smart Bidding

Other FAQs

• Ensuring Best Practices in a Dynamic Market

Should we use data exclusion (fka blackout dates) to help Smart Bidding once this is over?

- No - data exclusions could prevent Smart Bidding from learning trends.
- Only use data exclusions if you have tracking errors with conversions.

What about seasonality adjustments?

- These exclude data from the time frame used and may prevent Smart Bidding on learning in a dynamic market
- It may be hard to predict the conversion rate change with a seasonal adjustment.
- Only use Seasonality Adjustments if you can accurately predict a surge in conversion rate over 1-2 days.

Should we turn off brand keyword spend?

- ~50% of branded keyword ads are incremental to the first position on an organic result.
- You may lose the ability to control the narrative using custom ad copy + audience targeting.
- Competitors may edge into the space if they find an opportunity

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• How to Fully Control Smart Bidding

Manual bidding is a Target CPC strategy

Manual Bidding
Target CPC

CPC Goal
The goal you choose...



Click Volume
...determines click volume...



Spend
...which determines spend

Smart Bidding
Target CPA/ROAS

CPA/ROAS Goal
The goal you choose...



Conv. Volume
(or Conv Value Volume)
...determines conversion volume...



Spend
...which determines spend

The same sophistication of optimizing CPCs on manual bidding can be brought to Smart Bidding.

The major difference is Smart Bidding's connection to conversion volume (versus manual's connection to clicks).

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You have control over Smart Bidding

Translate what you're doing with Target CPC into a Target CPA/ROAS environment

Smart Bidding should not be a 'set it and forget it' strategy. Translate your Target CPC expertise with Target CPA/ROAS goals and other manipulation.

There may be new areas to develop expertise, such as ongoing conversion improvements, platform forecasting, and CPA/ROAS goal adjustments.

List of ways to control + optimize with Smart Bidding

- Various levels of placing goal targets
- Ongoing adjustments of goal targets
- Conversion adjustments + optimization
- Targeting adjustments
- Budget optimization (shared, constraining, etc)
- Layering constraints (budgets, CPC limits, etc)
- Operationalizing forecasts

Goal adjustments may be the most popular tactic

Control ad serving + spend volumes with goal adjustments

Goals

CPA/ROAS goal adjustments (several per week)

Ad Group Targets

Portfolio Targets

Device CPA modifier

Operationalize forecasts

- Goal adjustments will remain the most effective way to either increase or decrease volumes.
- Forecast with target simulators + performance planner
- Prevent overreactions to a standard fluctuation.
- Ensure adjustments are valid and come from business objectives.

Beyond the dynamic

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Develop a plan when stability to demand and markets return



Determine short-term approach if primary KPIs can't be achieved (lead building, branding, etc)



Understand year-over-year data will be impacted this year, and next.



Take note of what works now for future major swings (future industry swing, site issues, etc).



Re-introduce best practices that were previously deactivated for external reasons.



Use Draft and Experiments to test reactivation, if concerned about performance.

Target Simulators

Beyond the Dynamic Market

Use **Target Simulators** to check how budget and goal changes can help you reach your goals

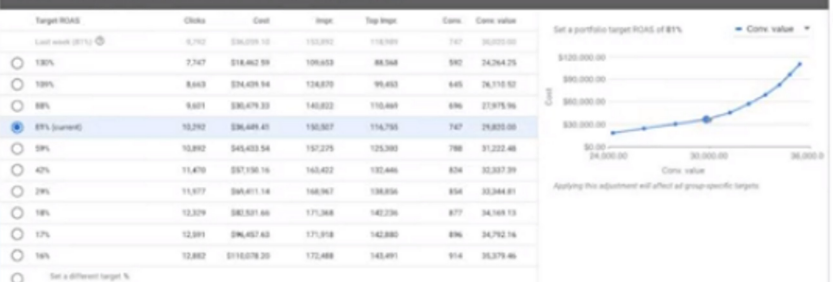
See how your key performance metrics would change for different targets (when using tCPA or tROAS) or budgets scenarios (when using Max clicks or Max conversions).



Target Simulators are now available for Target ROAS on Search!

Portfolio performance simulator: ROAS Search 81%

See how different ROAS targets might affect your traffic (Search Network Only) Learn more



This simulation is based on performance from Nov 11 - 17, 2019. These estimates do not guarantee similar results. Learn more

CANCEL APPLY

Use **Performance Planner** to forecast conversion volume at different targets to identify a future focused CPA/ROAS

