

Performance Max: the good, the bad and the ugly

- Should you “upgrade” to Performance Max? If yes, how?
- Should you go back to Standard Shopping? If yes, how?
- Is there an in-between? Yes, but do you want it?

THE GOOD



THE BAD



THE UGLY





Intro



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- +40 active advertisers across Europe, and the US
- All we do is eCommerce
- Further specialized in Google Shopping & feed management



The Good

We can all be friends

- Performance Out of the Box
- Not forced to opt in to everything
- More insights than Smart Shopping
- Should you upgrade to Performance Max?
- If you can't beat it, then what's the point?



Performance is similar to Smart Shopping



Full Performance Max

We haven't run **much** of it.



"Shopping Only"

Allows you to only run Shopping Ads.



You **don't need to opt in** to the full setup



Full Performance Max

Search, Shopping, Display
and YouTube

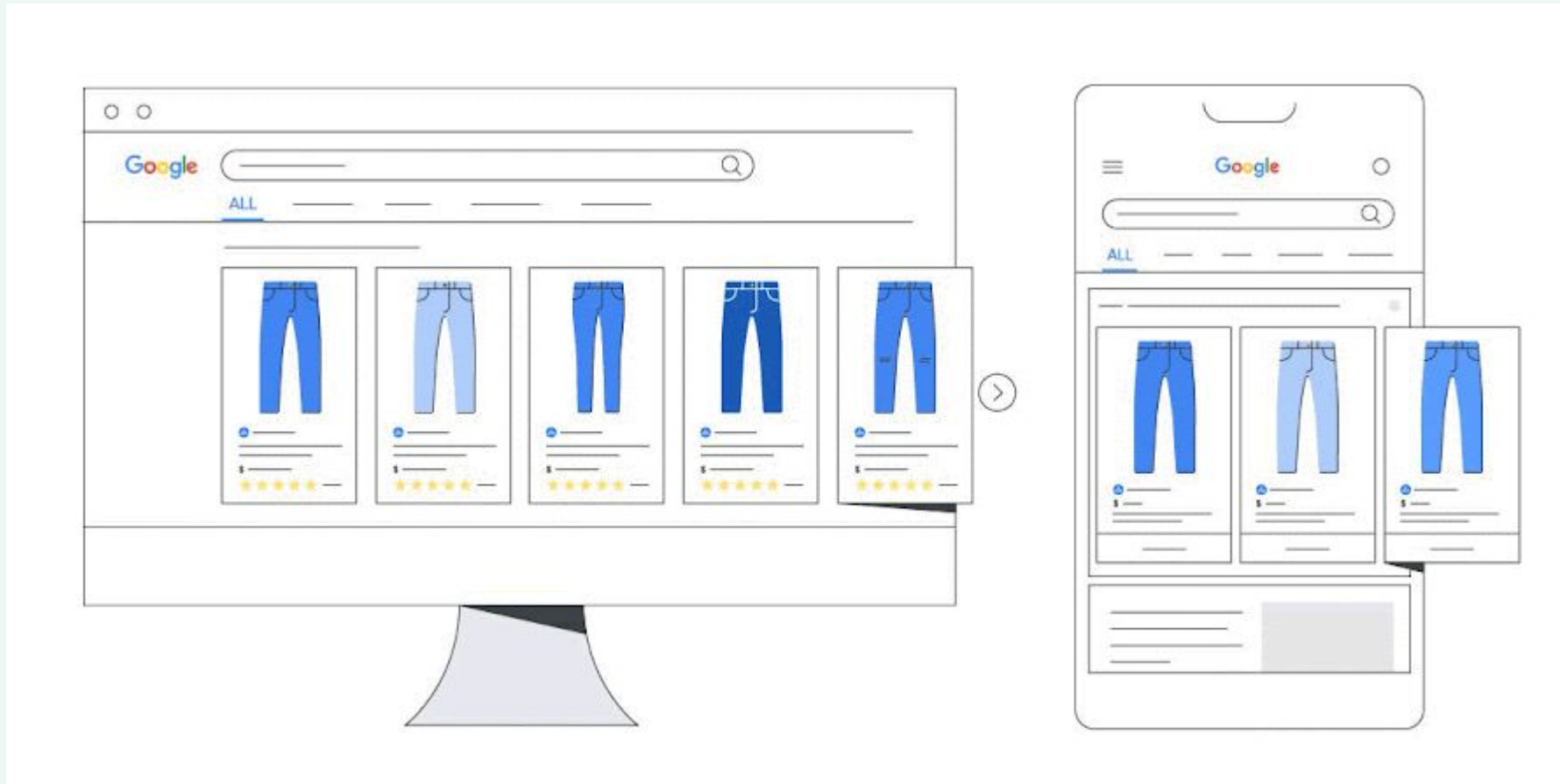


“Shopping Only”

Allows you to only run
Shopping Ads.

Shopping Ads Ad Formats

Search Network: All Tab (Carousel), Shopping tab and Image tab



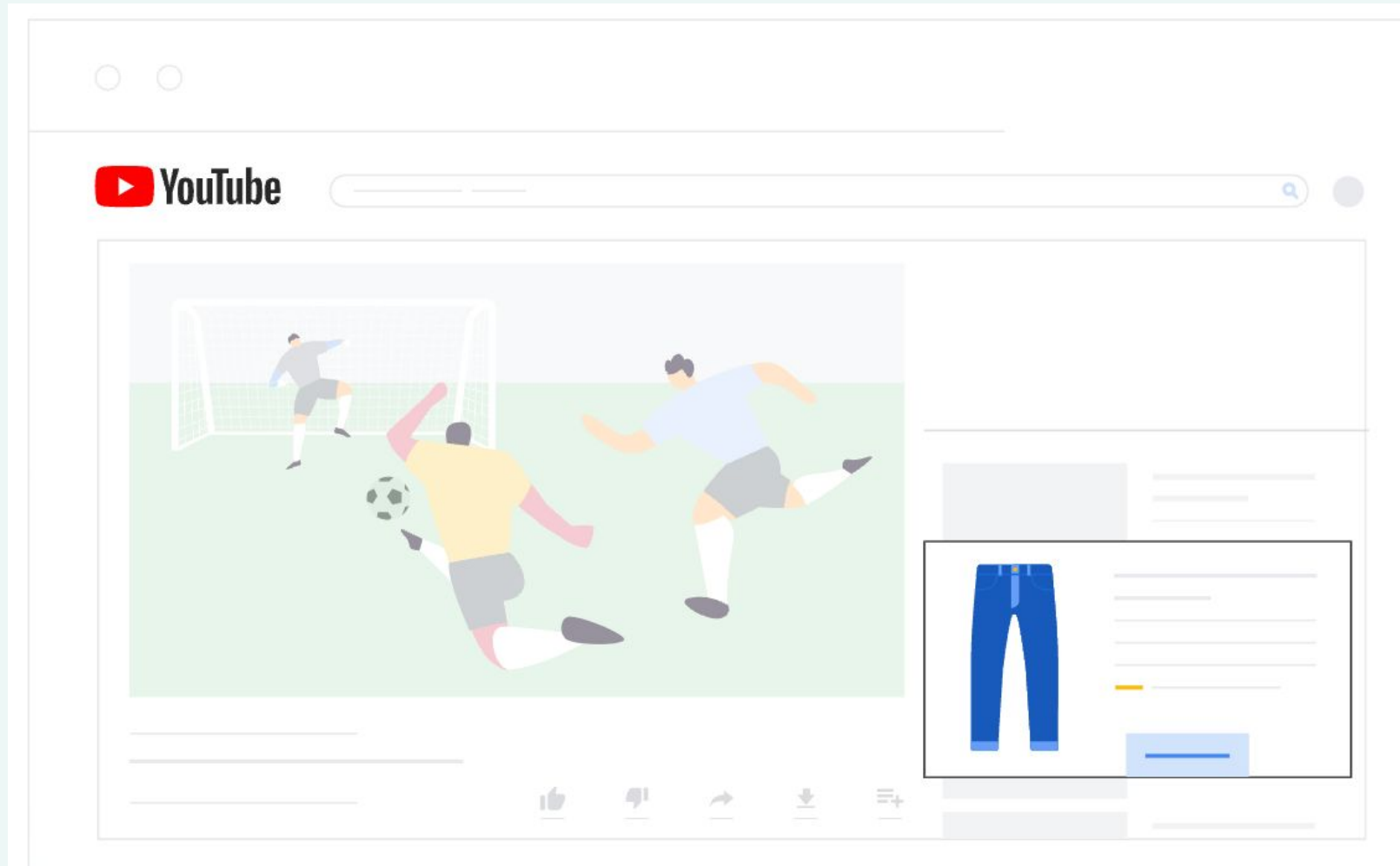
Shopping Ads Ad Formats

Display Network:



Shopping Ads Ad Formats

YouTube:



Committed to more insights

Your week-over-week view

Conversions and cost are down for this campaign

Conv. value

Cost

-27.51%

-41.8%

Total: 15,229.21

Total: kr4.2

Consumer spotlight

Explore search terms that you

CONSUMER INTEREST INSIGHT

Searches for "handvärk" and 20 categories increased

Top performing audience segments

Your top performing audience segments, their share of conversions, and how unique they are for you

Audience segment	Type	Share of conversions
<u>Cycling Enthusiasts</u> OPTIMIZED	<u>Affinity</u>	45.4%
<u>Home Improvement</u> OPTIMIZED	<u>In-market</u>	50.3%
<u>Home Decor</u> OPTIMIZED	<u>In-market</u>	48.9%
<u>Home Furnishings</u> OPTIMIZED	<u>In-market</u>	47.4%
<u>Home & Garden Services</u> OPTIMIZED	<u>In-market</u>	56%


Show rows: 5

1 - 5 of 10

Were these insights useful?

Yes

No



Should you upgrade?

A few notes:

- Deadline is September 2022
- Not **too** tight, but now leeway if something goes wrong in the transition
- Use the tool, but manually updating is also fine



Smart Shopping

If you are running Smart Shopping today, then yes.



Performance Max

! Shopping Only...

The Initial 'Shopping Only' Setup



Exclude Brand

... your own branded terms

Always exclude, and run in a separate standard campaign

Ensures you know what you are paying for.

Contact Google Rep to exclude*



Asset Groups

with no assets

Remove all assets

Ensures you only show up on **Shopping Ads** formatted placements.



Split Campaigns

when necessary

Often related to **seasonality**, different **ROAS** targets or launching **new products**.

Allows you to **set budgets & targets** specific to the product(s).

Performance Max as Your Baseline

If you can't beat it, why bother?





The Bad

Performance Max Woes

- **The Best Practice Performance Max Setup**
 - No go...
 - Why I don't trust Google
- **Pmax 'Shopping Only' vs Standard Shopping**
- **Should you go back to Standard Shopping?**
- **Manual bidding for Shopping is "dead"**

The **general Performance Max setup** is not advantageous to most advertisers:

- Search, Shopping, Display & YouTube

... in **one** campaign



I don't trust
Google's ability to
expand my
audiences



Exhibit A) Recommendations

Ranked the worst in a recent industry survey.



Exhibit B) Search Partners

\$8,000 spike in three days – **twice**
Refunded...



Exhibit C) Display Spikes

Sudden spike.
Refunded...



Exhibit A) Recommendations

... for a coding school:

 **New search trend**

Searches for Airline Tickets, Fares & Flights have increased by 27% compared to the same period last year. Review what's driving the demand and whether you're keeping up.

[Learn more](#)

[View](#)

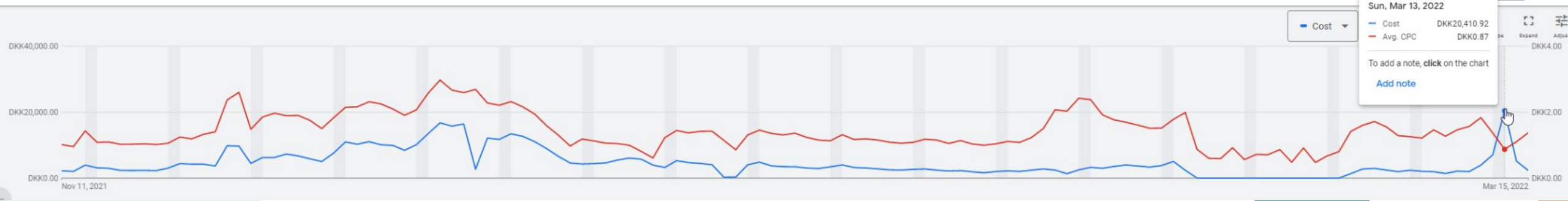
Exhibit B) Search Partners Spike



Search term contains smart Add filter

<input type="checkbox"/>	Search term	Match type	Added/Excluded	Ad group	↓ Clicks	Impr.	CTR	Avg. CPC	Cost	Conversions	Conv. value	Conv. value / cost
<input type="checkbox"/>	[blurred]	Phrase match (close variant)	<input checked="" type="checkbox"/> Excluded	bedste seng	2,446	7,059	34.65%	DKK12.97	DKK31,729.06	10.00	10.00	0.00
	Search partners				2,446	7,059	34.65%	DKK12.97	DKK31,729.06	10.00	10.00	0.00
<input type="checkbox"/>	[blurred]	Phrase match (close variant)	None	Seng pris	1,118	4,357	25.66%	DKK8.95	DKK10,005.25	7.00	7.00	0.00
	Search partners				1,118	4,357	25.66%	DKK8.95	DKK10,005.25	7.00	7.00	0.00
<input type="checkbox"/>	[blurred]	Phrase match (close variant)	None	Billig Seng	707	1,705	41.47%	DKK6.63	DKK4,684.02	0.00	0.00	0.00
	Search partners				707	1,705	41.47%	DKK6.63	DKK4,684.02	0.00	0.00	0.00
<input type="checkbox"/>	[blurred]	Phrase match (close variant)	None	Gæsteseng	4	40	10.00%	DKK6.34	DKK25.34	0.00	0.00	0.00

Exhibit C) Display spike on Smart Shopping



Until Google doesn't make such insane
recommendations / spikes /
inconsistencies **in plain sight** I will always
be concerned about a black box





Other reasons to **skip** a full PMax setup



Want to run YouTube? ... or Display

Do it properly... with the right creative strategy, micro conversions and KPIs in place.



Mixing Shopping & Search?

Only for teams that don't have time / skills to do anything else.

Should you go back to **Standard Shopping?**



In most cases, no...

Examples:

- Not enough time execute a granular setup
- Missing necessary know-how in-house
- Agencies keep promising the world



But yes if, you have the insights

- Sales or Seasonality
- Price competitiveness
- Custom product scores



... or need access to

- Min. / Max CPCs
- Seasonal Bid Adjustments
- Data Exclusion
- Priority setting

Standard Shopping campaigns
should always be run with
Smart Bidding

Manual bidding is *almost pointless* for
Shopping



Smart Bidding Signals

Price
Competitiveness

Interface Language

Location Intent

Seasonality

Remarketing List

Browser

Product
Attributes

Actual
Search Query

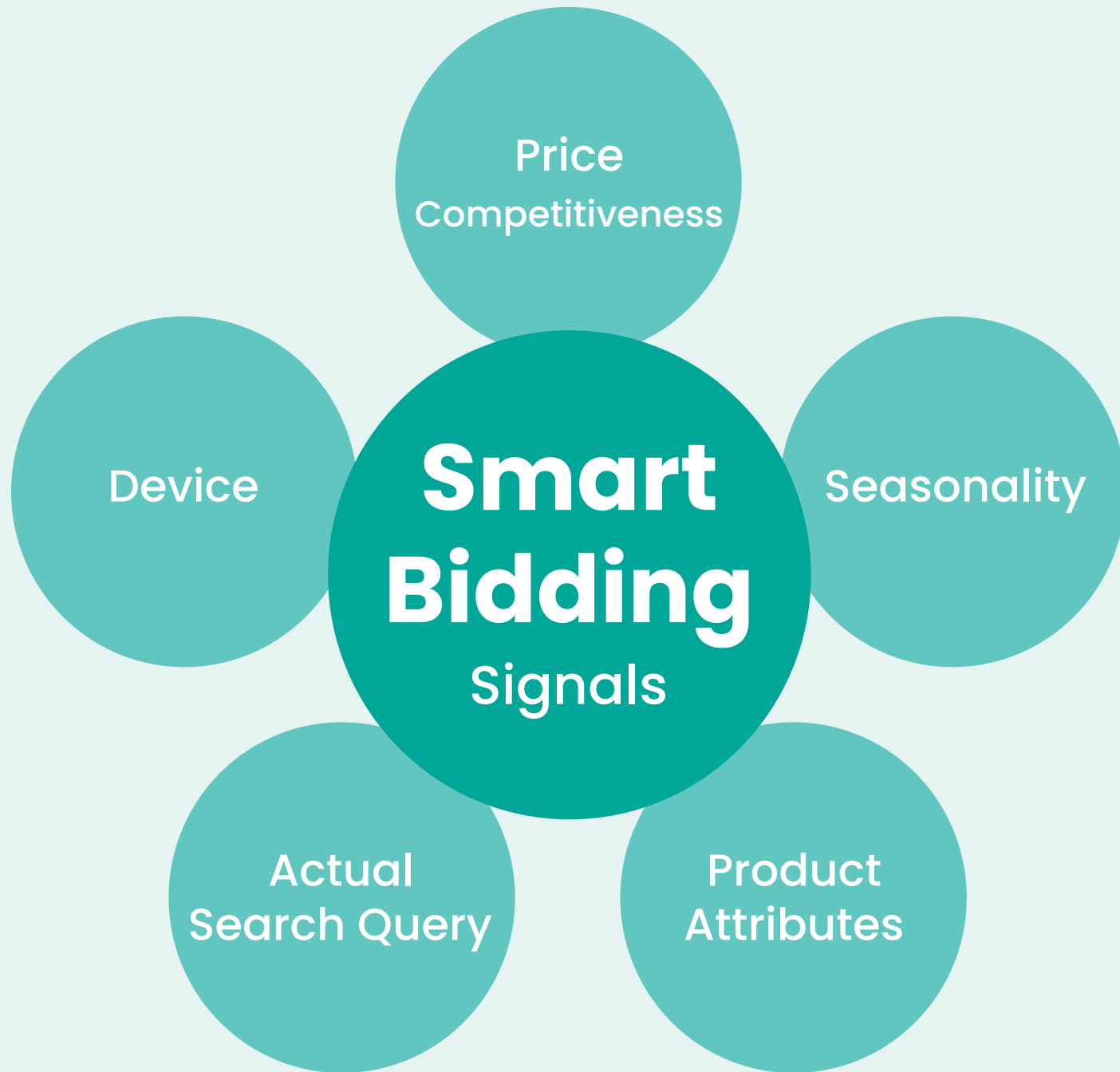
Device

Operating System

Weekday & Time Of Day

Physical Location

Ad Characteristics



For Shopping Ads it's not fair

Limiting to the most useful bidding signals


	Manual bidding	Smart bidding
Actual search query	✗	✓
Product attributes	Advanced Setup	✓
Device	✓	✓
Price competitiveness	Advanced Setup	✓
Seasonality	Advanced Setup	✓



The Ugly

No insights to *network*?

Campaign	Campaign type	↓ Clicks	Impr.
 Performance Max - On Sale & <10k Price	Performance Max	10,507	1,418,207
Cross-network		10,507	1,418,207



Not **allowed to know** how much XYZ **spends** or how well it **converts?**



Great YouTube Performance?

Let me invest in better videos to expand further. WUHU!



Shopping only spending 10%?

Maybe something is wrong with my product pages...



Search too narrowly focused

Branded, product or model keywords. What about generic? Or vice versa?



Insights

give us the ability to
take advertising to
the next level

Many of us spend our days finding insights, acting on insights and relaying insights back to advertisers **so we can grow a channel.**

Not having that any insight means we are stuck with whatever revenue/ROAS Google can provide for our current situation.

... and that's a **recipe for disaster long term.**



Help Pmax

... and help yourself

- **Performance Max still needs help**
- Feed optimization is a basic
 - Segmenting products

The insight: Products on Sale = Better ROAS

March:

Custom label 2 ▾	↓ Cost ▾	Conv. rate ▾	Conv. value / cost ▾	Conv. value ▾
no sale	SEK120,195.42	0.42%	1.55	186,848.70
-15%	SEK59,644.07	0.78%	3.07	183,217.52
--	SEK44,304.82	0.44%	1.81	80,319.74
-20%	SEK7,640.64	2.06%	2.78	21,275.70

The action: Split campaigns in two

April:

Custom label 2	Cost	Conv. rate	Conv. value / cost	Conv. value
-15%	SEK150,481.14	0.62%	1.98	297,427.44
no sale	SEK71,248.79	0.23%	1.19	84,904.99
-20%	SEK27,658.39	1.25%	3.48	96,132.19

The follow up: Force spend on Promotions

May:

Last month						
Undo	Redo	May 1 – 31, 2022	<	>	Filter	>>
Custom label 2	Cost	Conv. rate	Conv. value / cost	Conv. value		
-15%	SEK84,486.39	0.70%	2.56	216,648.56		
-20%	SEK43,331.08	1.08%	4.47	193,748.45		
no sale	SEK27,855.74	0.25%	1.61	44,843.89		

The result: Consistent action on insights

Custom

Feb 1 – May 31, 2022

Filter

Month ↑	Cost ▼	Conv. rate ▼	Conv. value / cost ▼	Conv. value ▼
Feb 2022	SEK65,640.20	0.40%	2.31	151,401.17
Mar 2022	SEK236,996.47	0.55%	2.35	557,714.36
Apr 2022	SEK266,666.31	0.52%	1.97	525,677.61
May 2022	SEK160,228.98	0.64%	3.13	502,084.60



What did we **do**?



Identified three segments

Pricing level, on sale vs not
& discount tier



Analyzed the performance

Discount tier not relevant.
Pricing level & whether it was on sale were
very relevant.



Took action on the insights

And changed course underway.



Decide

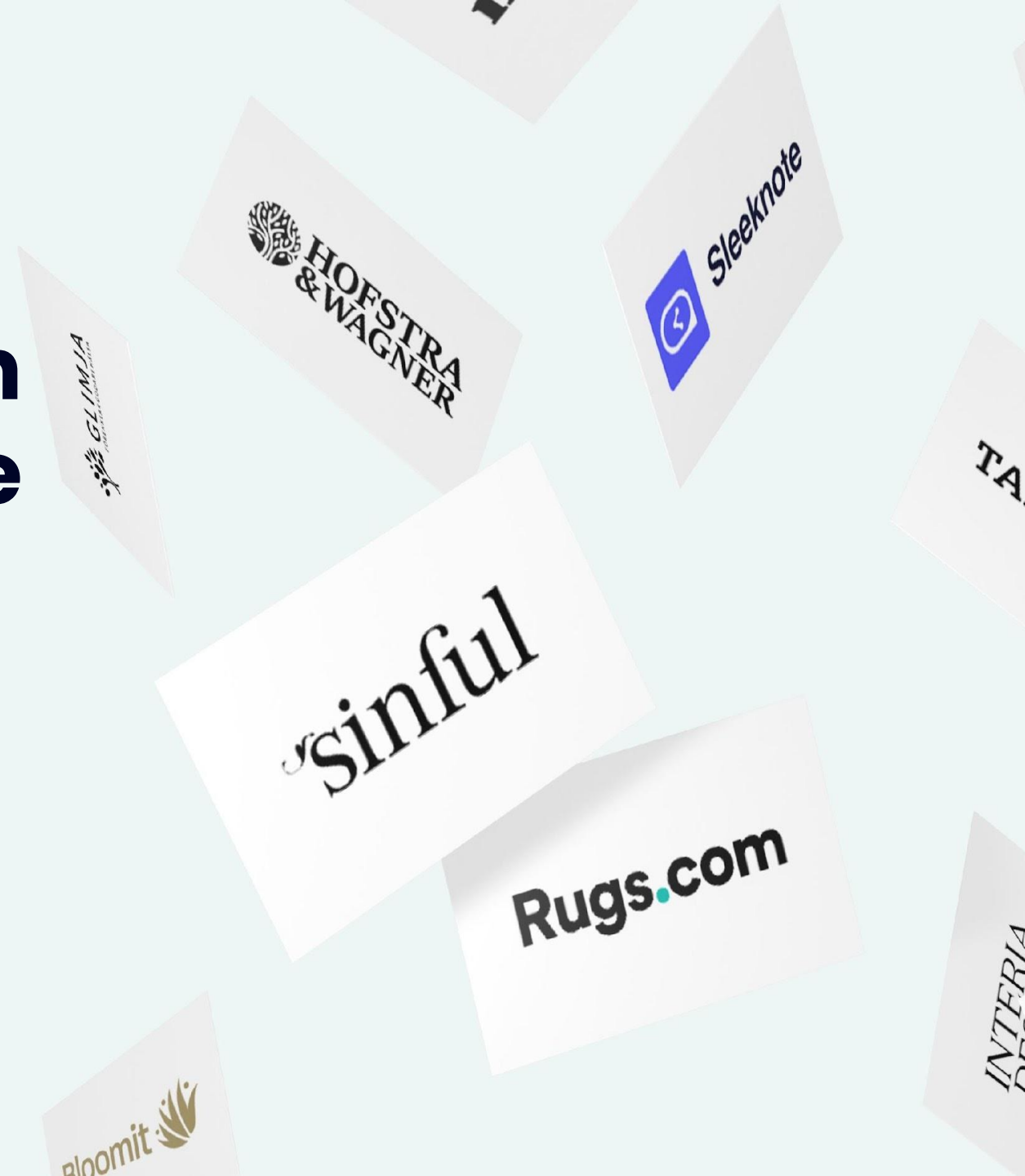
Are you going to act?

- **If not**, then Performance Max is fine.
 - Don't waste time with Standard Shopping
 - Focus your time elsewhere
- **If you are**, consider how to:
 - Get the insights
 - Use the insights
 - Pmax vs Standard Shopping?
 - Expand the insights

Scaling Paid Search for B2C eCommerce stores across Europe

With automation, local know-how and best-in-class PPC we take over when others peak.

LET US SHOW YOU HOW





Download slides at:

<https://savvyrevenue.com/fos/>