OPTMYZR

Unlevel the Playing Field

The Biggest Mindshift in PPC History

HELLO!

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OPTMYZR

Find me on Twitter (@SiliconVallaeys), YouTube, the Optmyzr blog, or at PPC Town Hall.

FREDERICK VALLAEYS

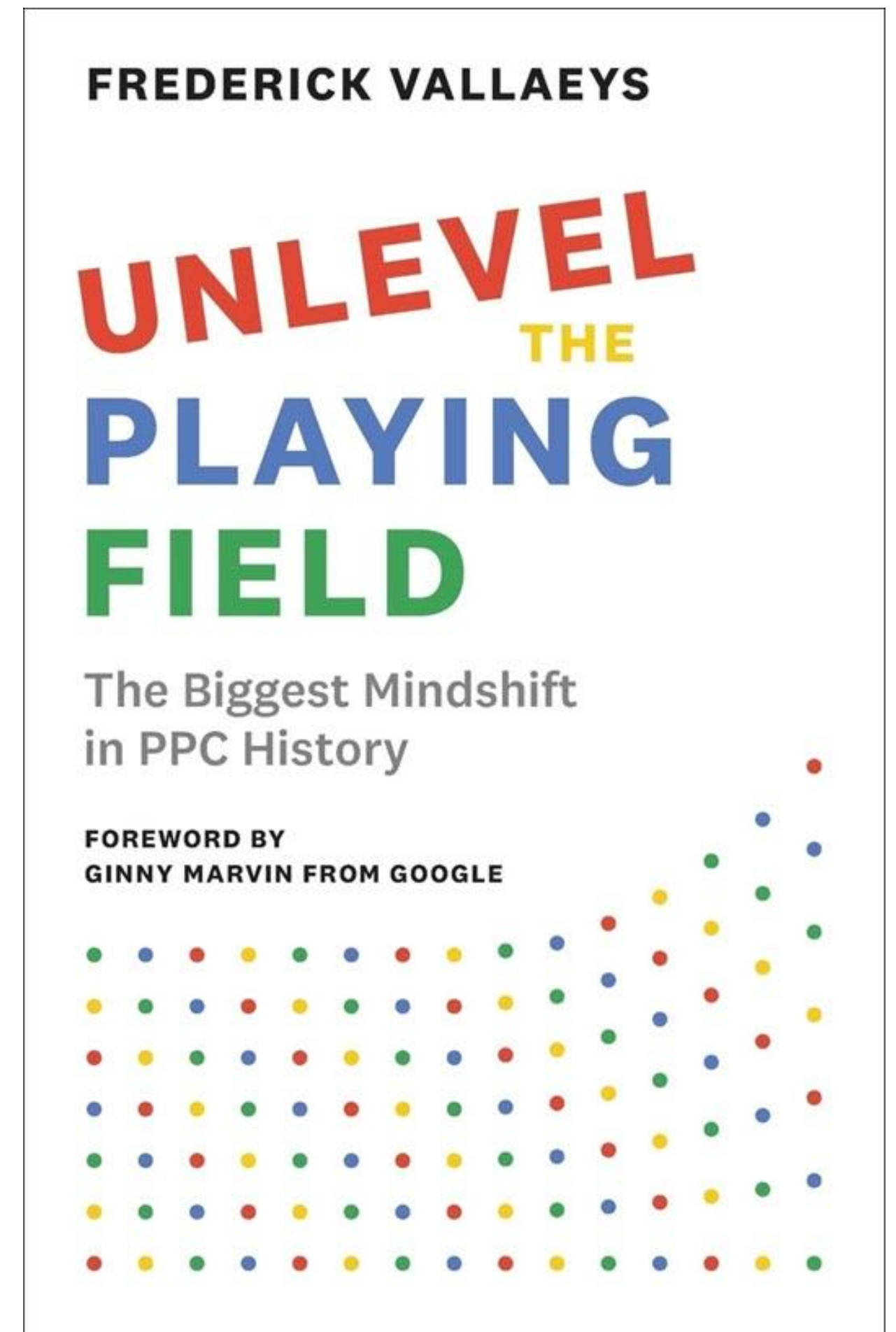UNLEVEL THE PLAYING FIELD

The Biggest Mindshift in PPC History

FOREWORD BY GINNY MARVIN FROM GOOGLE

What We'll Cover Today

THE CHANGING NATURE OF PPC MANAGEMENT

How to be the first to adapt to what's changing

THE 3 MODERN PPC OPTIMIZATION TECHNIQUES

Sharpening your advertising eyes, hands, and mind

PERFORMANCE MAX

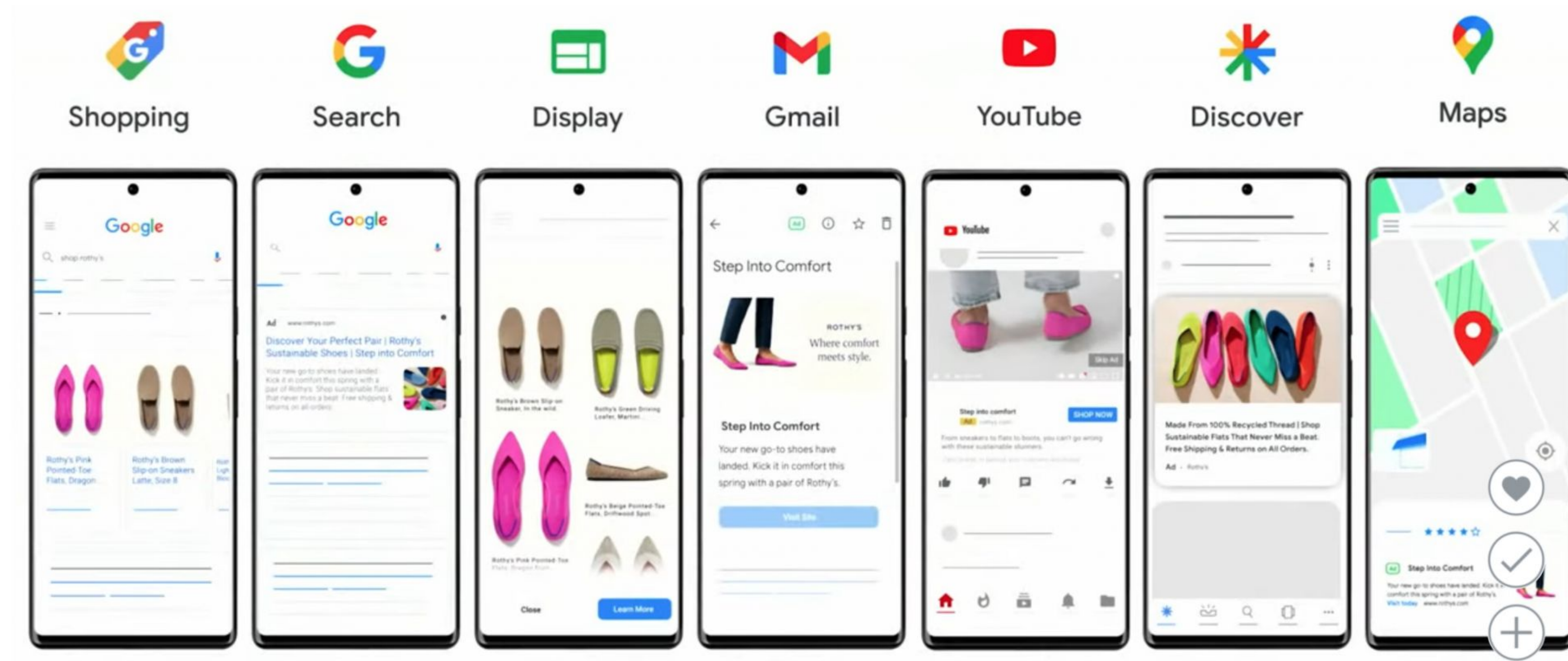Could we optimize PMax using the new modern PPC optimization techniques
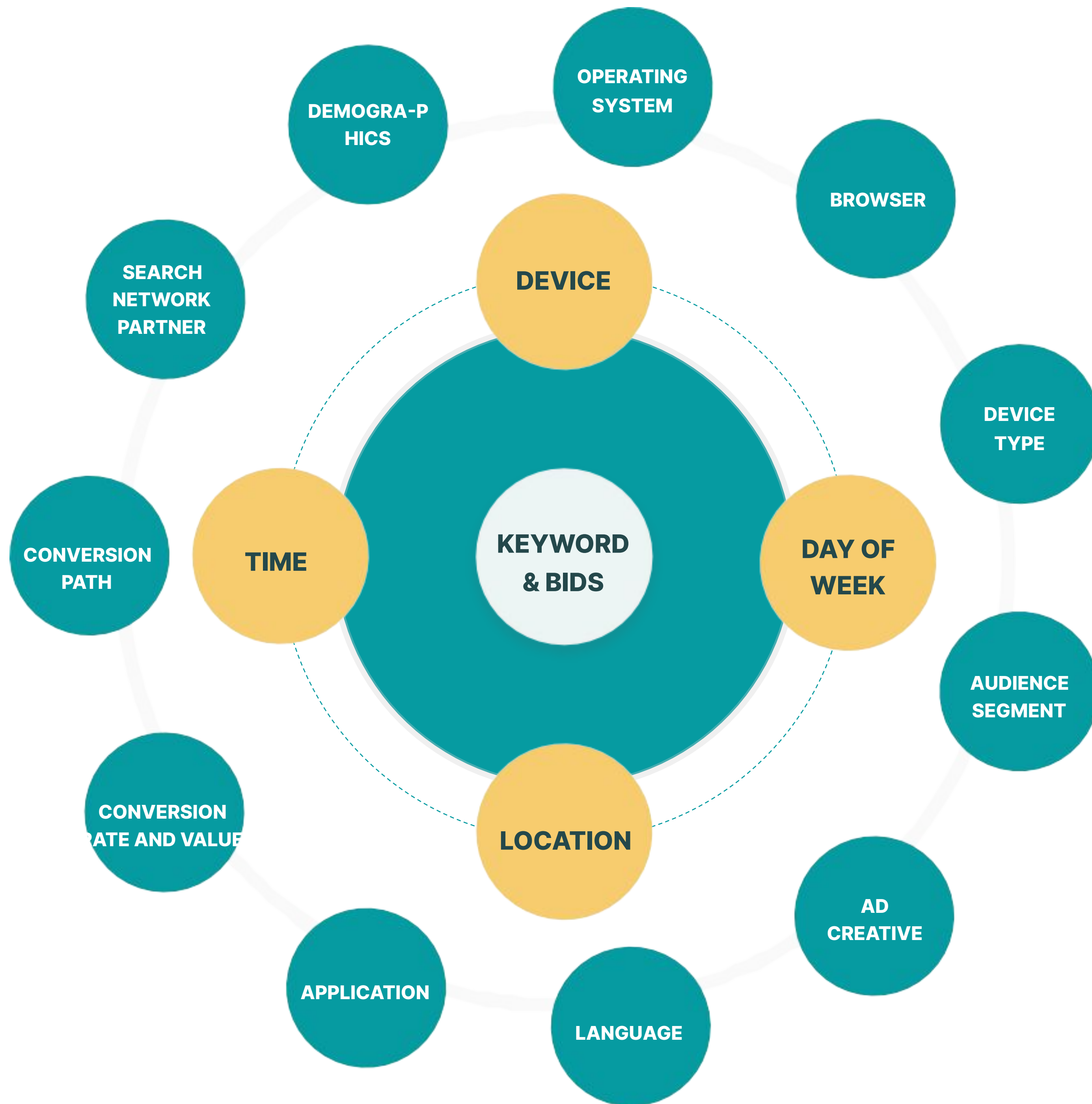
THE CHANGING NATURE OF PPC MANAGEMENT

What's The Future of Google Ads

"Advertising that works for everyone" -SVP, Google Ads
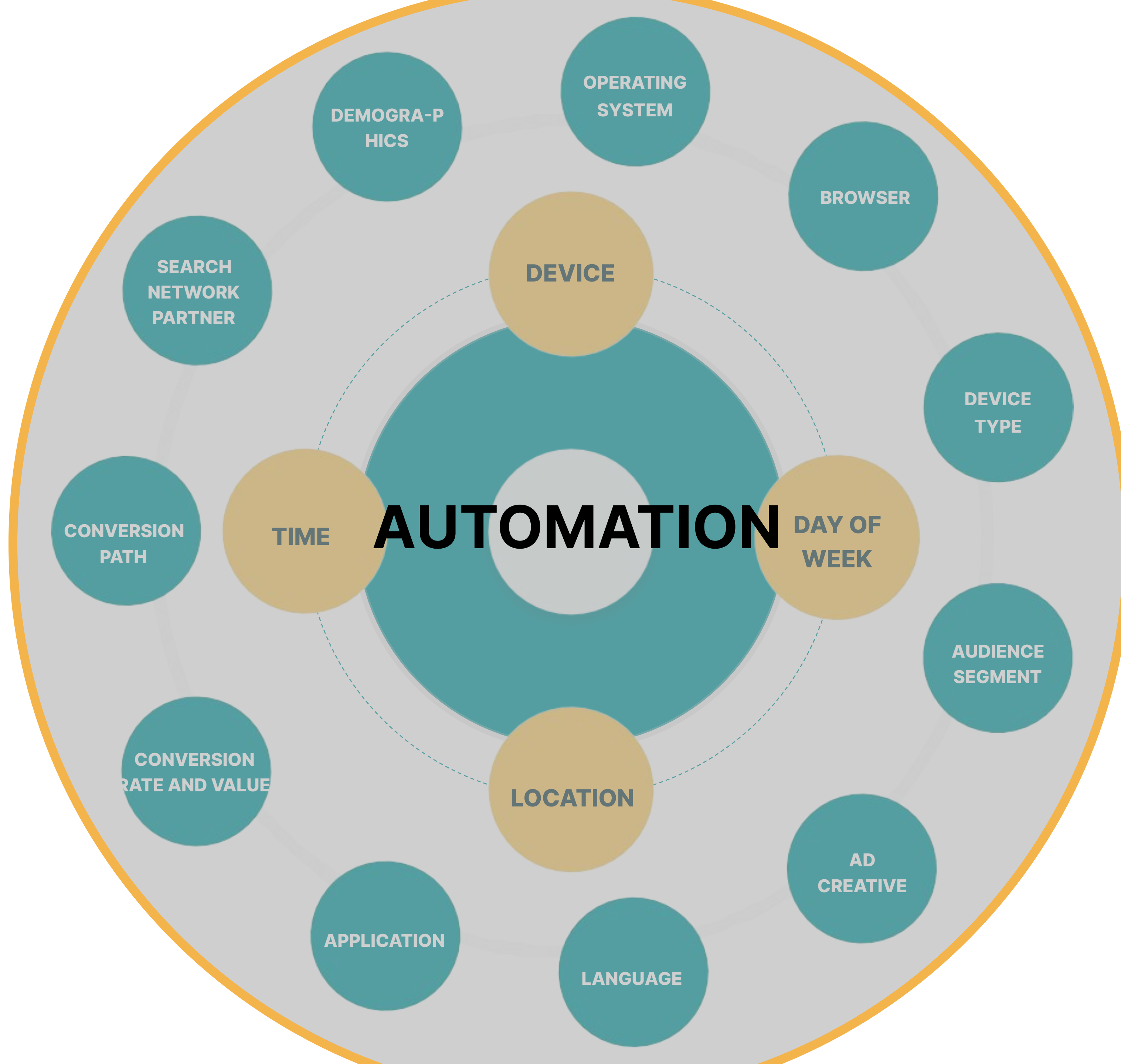
"an AI-first company" - CEO, Google

Optimization Before The Automation Era...

Manage a thousand details in the quest for conversions

The Big Mindshift

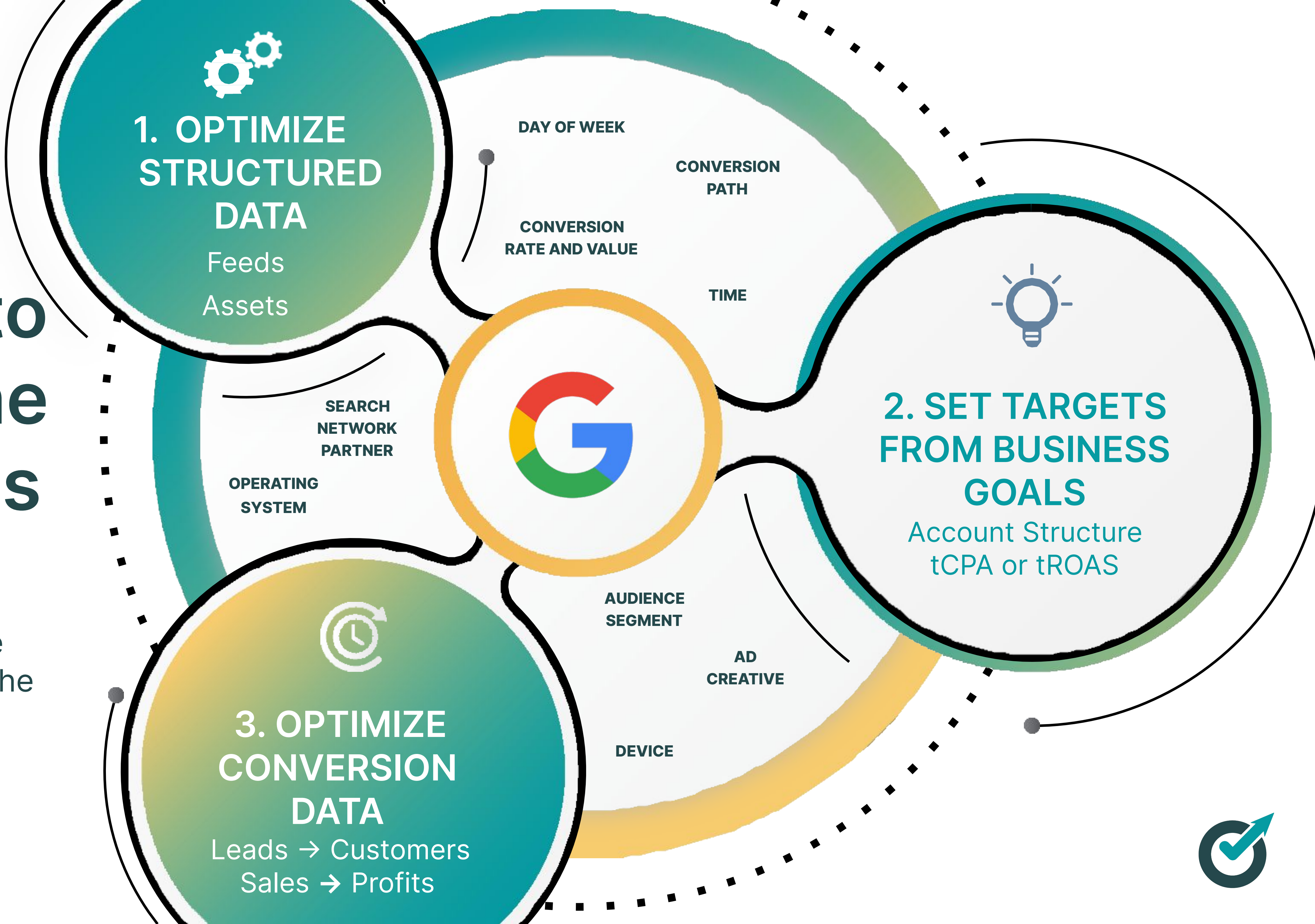The machines will handle the details we used to manage

We can be more strategic...

3 Ways to Teach the Machines

When Google AI handles the details, humans can operate at the periphery of the system.

Human intellect and creativity are critical unlevelers.

1. OPTIMIZE STRUCTURED DATA
Feeds
Assets

2. SET TARGETS FROM BUSINESS GOALS
Account Structure
tCPA or tROAS

3. OPTIMIZE CONVERSION DATA
Leads → Customers
Sales → Profits

DAY OF WEEK

CONVERSION PATH

CONVERSION RATE AND VALUE

TIME

SEARCH NETWORK PARTNER

OPERATING SYSTEM

AUDIENCE SEGMENT

AD CREATIVE

DEVICE

1. Optimize Structured Data

92% of advertisers are now using RSAs
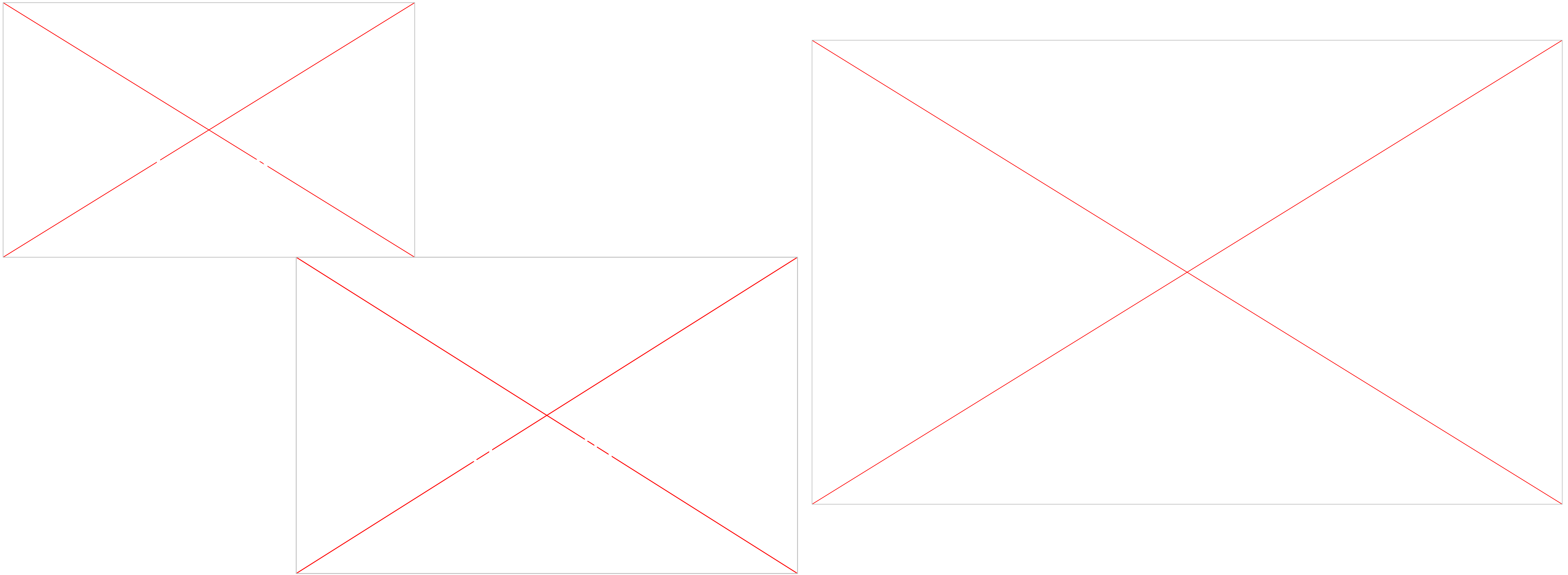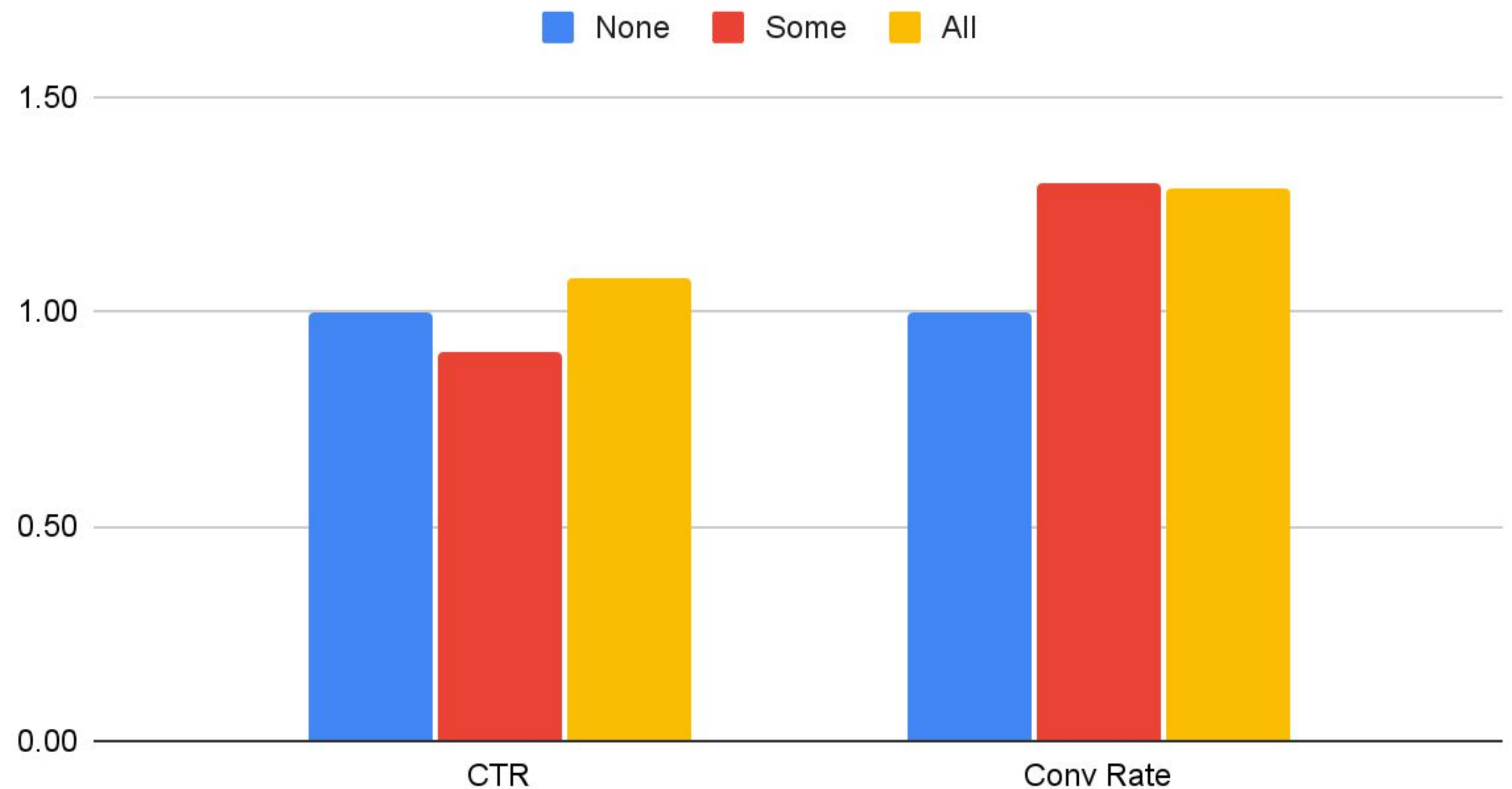
Source (Optmyzr internal data on 5,574 accts with 60m conversion value in 2020 and 4,331 accts with 180m conversion value in 2021 and 13,671 accounts in May 2022)

To Pin or Not to Pin

RSAs that pin every position have great metrics.

Which makes sense for advertisers who've done great A/B testing for years and have hyper-optimized ads.

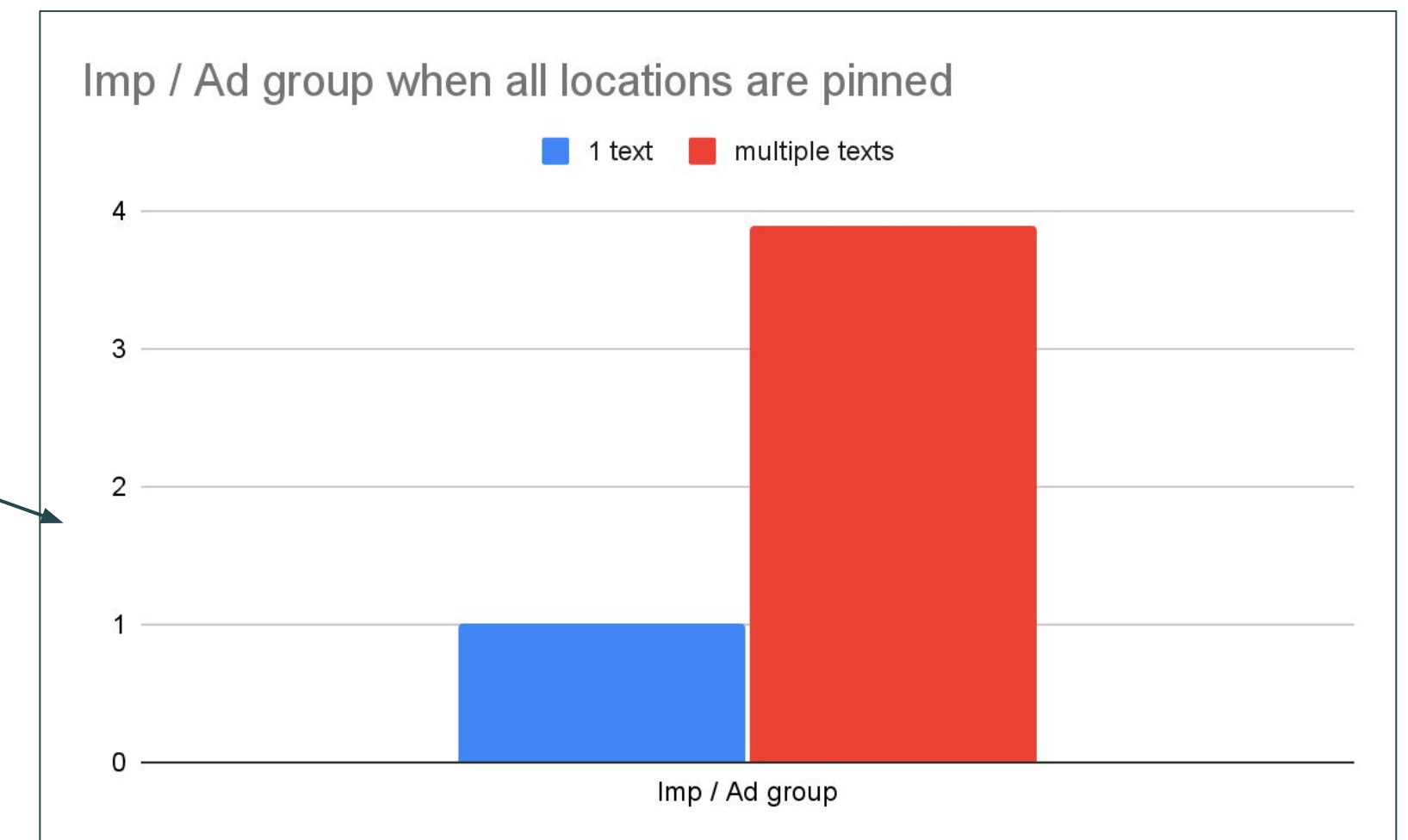Source (Optmyzr internal data from May 2022. 93,055 ads)

Fake ETAs - Pin 1 text or many texts?

Fake ETA: An RSA with text pinned to every location

Is it better to pin just one text or many texts per pinned location? Small sample size: 25 advertisers who pin every position tried this.

CTR is much better when pinning one text.

But impressions per ad group are 3.9x higher when giving Google flexibility with multiple texts per pinned location

CTR when all locations are pinned

■ 1 text ■ multiple texts

Imp / Ad group when all locations are pinned

■ 1 text ■ multiple texts
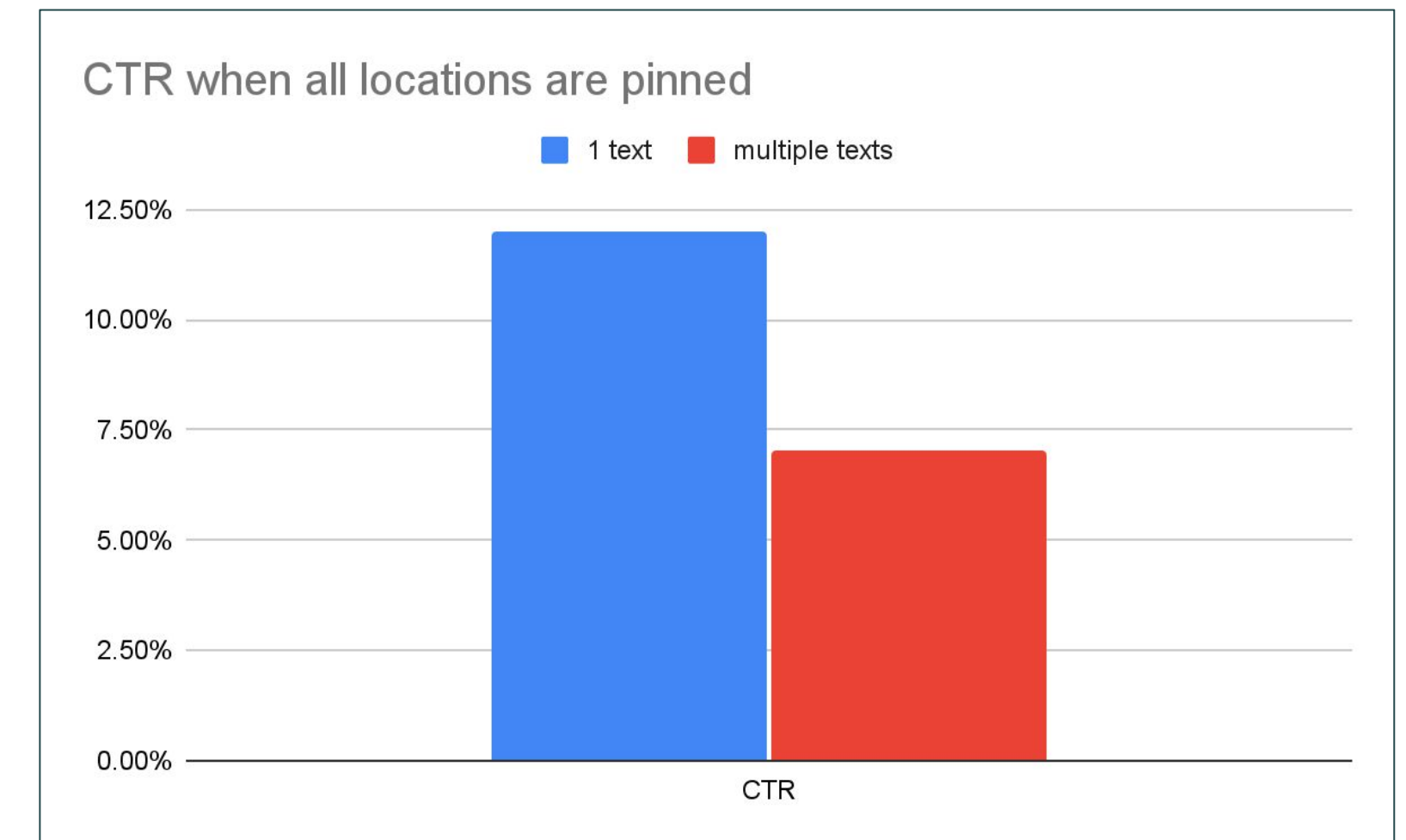
Source (Optmyzr internal data from May 2022. 25 advertisers with 3,213 ads)

AI can write extra headlines for you

GPT-3 is getting quite good at suggesting ads for PPC managers to review:

Suggest 3 variations of the following sentence:

Get started today - no credit card required!

1. Start now - no credit card required!
2. Get started now - no need for a credit card!
3. No credit card required - get started today!

Write a creative ad for the following product to run on Google Ads:

Product: HatQuest - An online platform to play games with your team remotely

Introducing HatQuest! An online platform to play games with your team remotely. Whether you're looking for a fun way to stay connected with friends or a way to stay sharp and challenge yourself, HatQuest is perfect for you. With a variety of games to choose from, there's something for everyone. So gather your team and get ready for some fun!

Ad Strength may not be the guide you thought...

Ad strength is a best practice score that guesses the relevance, quantity, and diversity of your responsive search ad content even before your RSA's serve.

Ad strength has NO impact on ad serving.
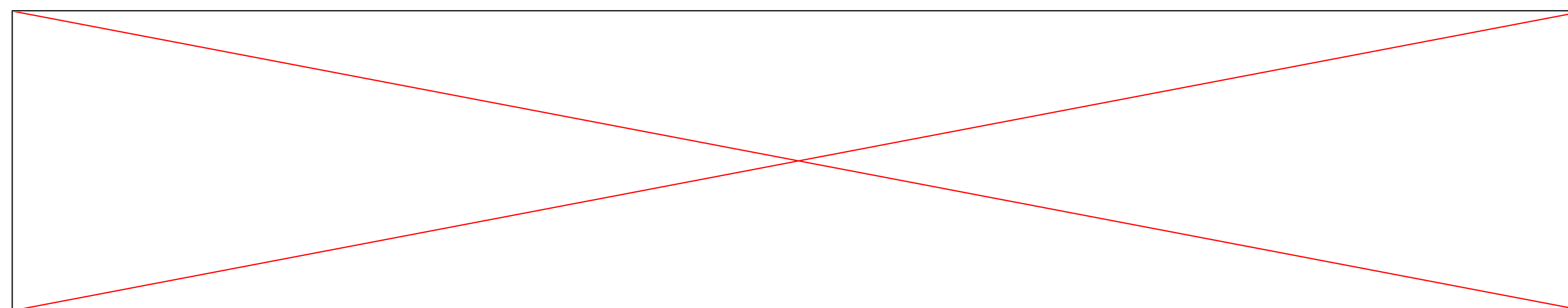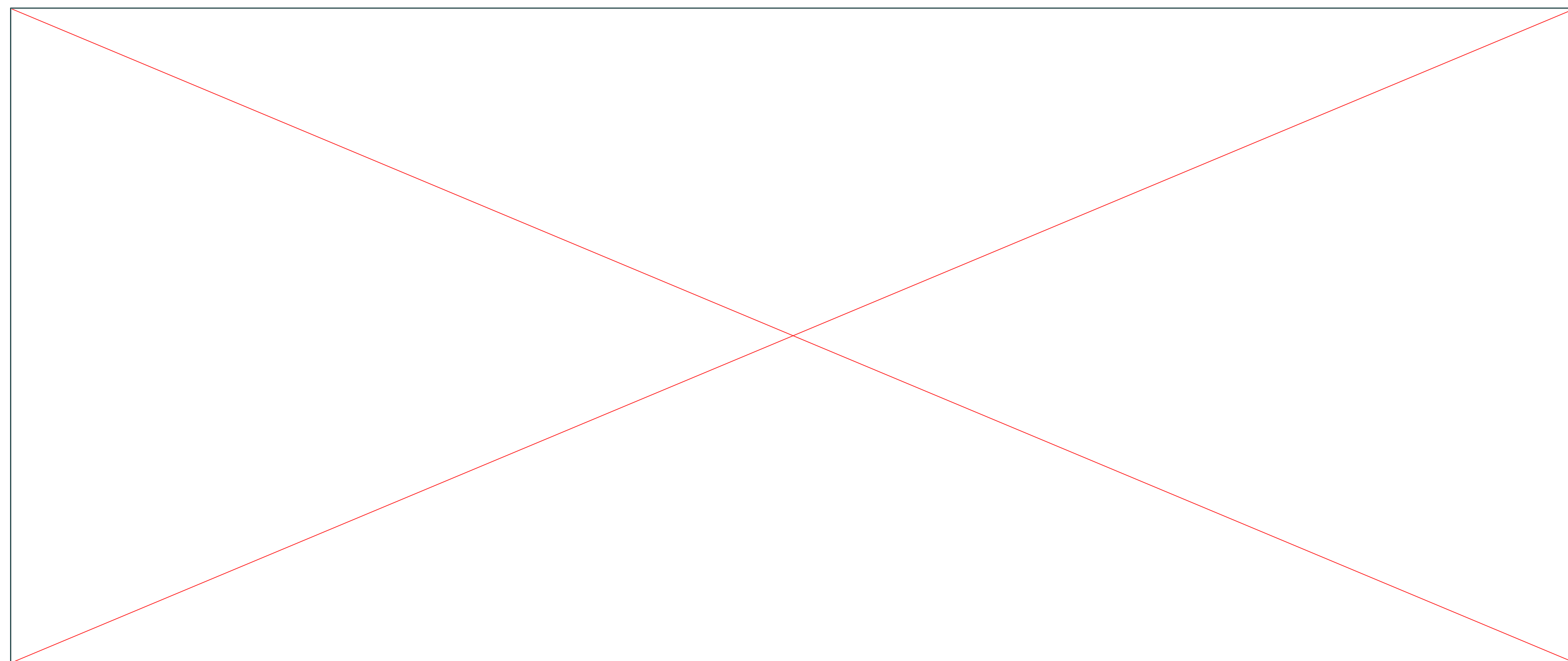
How to do A/B testing when ads are no longer really ads

Compare Apples to Apples

RSA - Evergreen

Optmyzr
Manage PPC
Mktg Software
Advertise Better

Description v1
Description v2

vs

RSA

Headline 1 v1
Headline 2 v1
Headline 1 v2
Headline 2 v2

Description v1
Description v2

vs

ETA 1

Headline 1 v1
Headline 2 v1
Description v1

vs

ETA 2

Headline 1 v2
Headline 2 v2

Description v2

INVALID

Compare Apples to Apples

RSA - Evergreen	RSA
Optmyzr Manage PPC Mktg Software Advertise Better Description v1 Description v2	Headline 1 v1 Headline 2 v1 Headline 1 v2 Headline 2 v2 Description v1 Description v2

vs

VALID

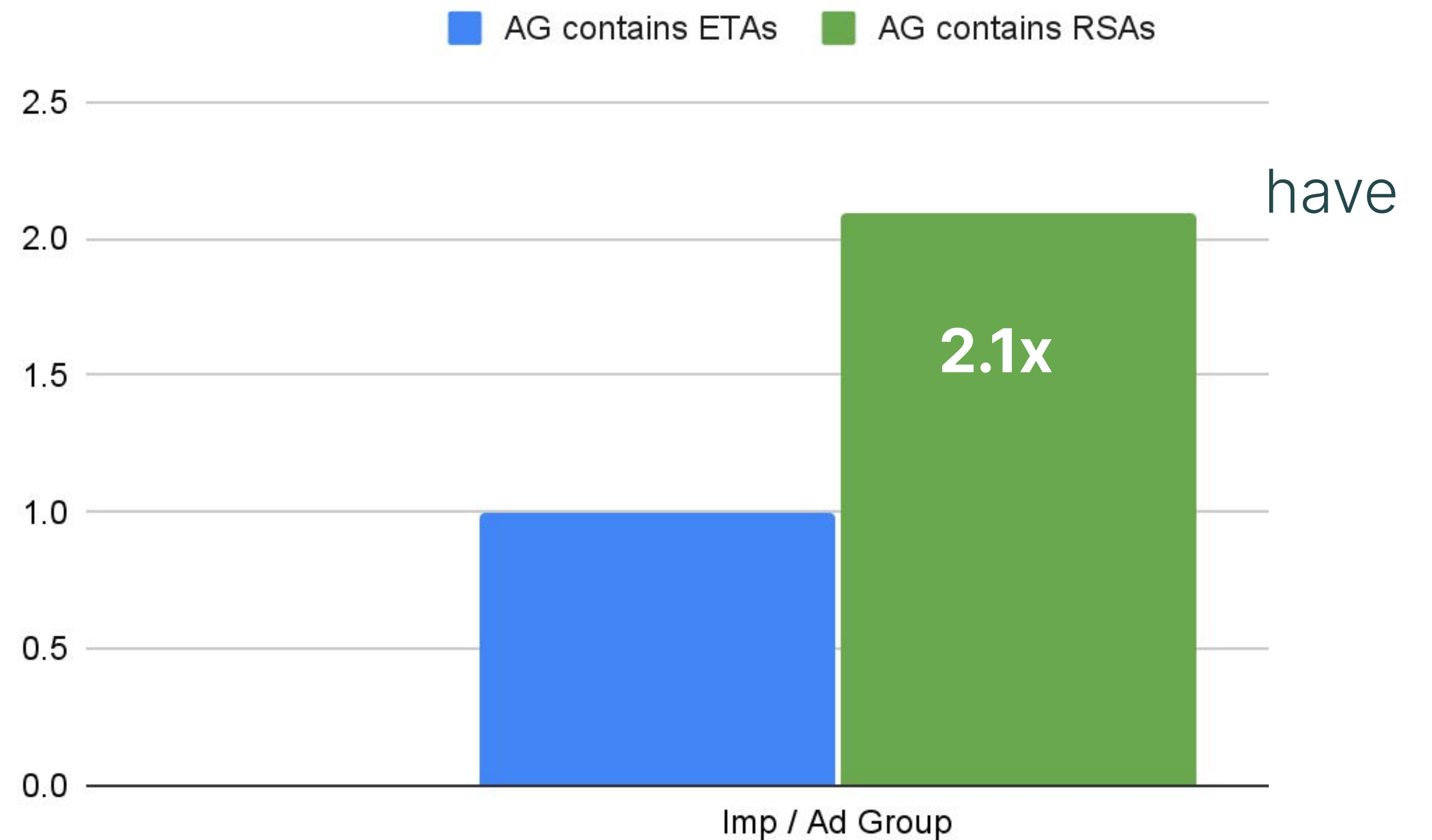| ETA 1	ETA 2
Headline 1 v1 Headline 2 v1 Description v1	Headline 1 v2 Headline 2 v2 Description v2

vs

VALID

RSAs and ETAs play in different leagues

RSAs get more impressions

Maybe because of Quality Score, m̶ ̶ ̶ ̶ ̶have
to play by Google's rules.

ETAs have a handicap against RSAs

Legend: AG contains ETAs (blue), AG contains RSAs (green)

2.1x

Imp / Ad Group

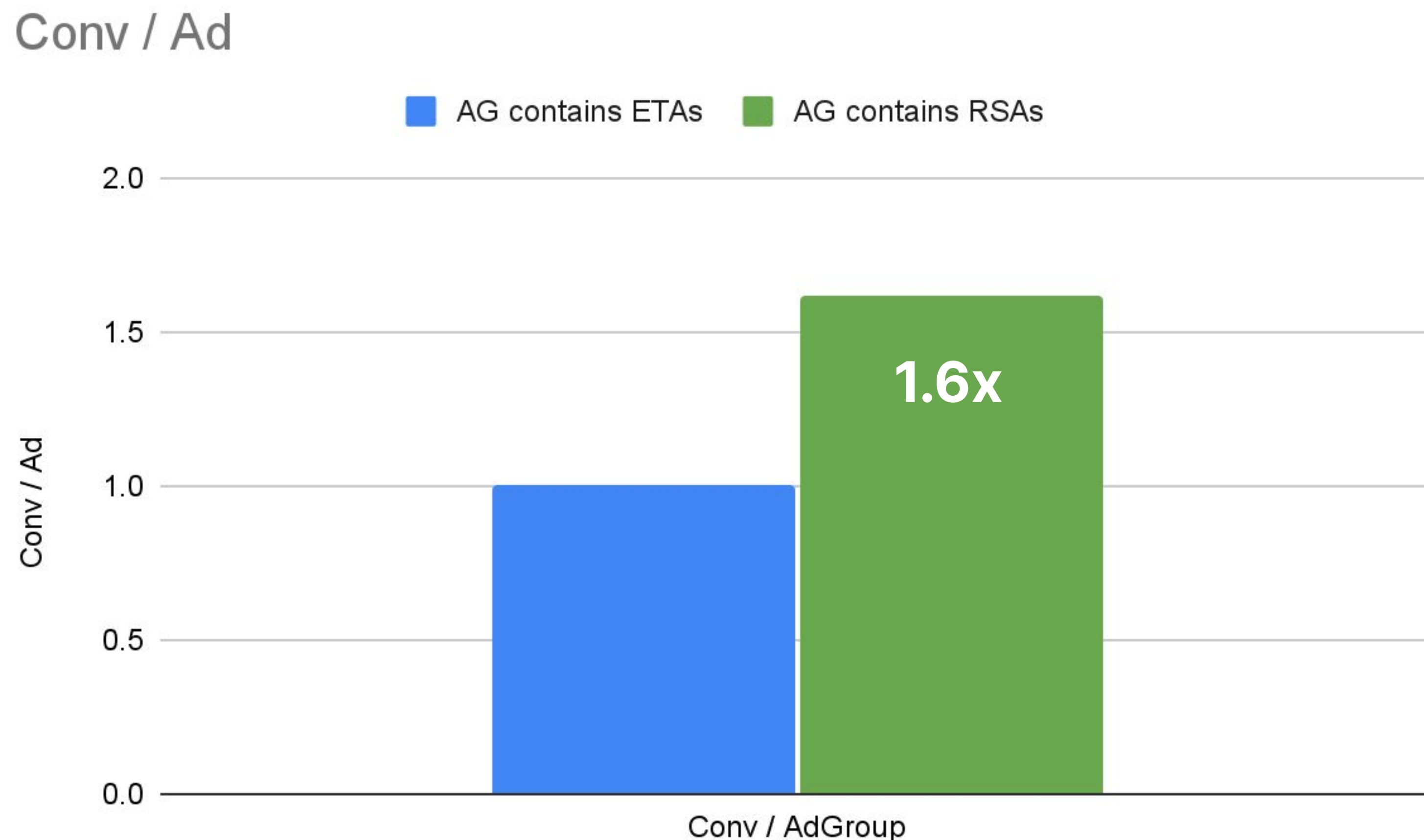Source (Optmyzr internal data from May 2022. 13,671 accounts and 1.7m ads)

RSAs also get way more conversions per ad

+ More Impressions

* Similar CTR

* 89% of the conv. rate = *way more conv!*

Ad groups with RSAs have 1.6 times the conversions compared to ad groups with no RSAs

Conv / Ad

AG contains ETAs   AG contains RSAs

1.6x

Conv / AdGroup

Source (Optmyzr internal data from May 2022. 13,671 accounts and 1.7m ads)

Don't fixate on old metrics

The old way: Focused on conversions per impression

	CTR	Conv Rate	Conv / Imp
RSA	5%	9%	0.45%
ETA	5%	10%	0.50%

Old school winner

The new way: Focused on conversions within your target CPA or ROAS

	Imp.	Conv / Imp	Conv.
RSA	2000	0.45%	9
ETA	1000	0.50%	5

Modern day winner

Use ad variations to test and iterate creative

Test different assets and review their performance across multiple campaigns by using Experiments > Ad Variations.

Learn about user preferences and improve your performance by honing ad text, especially headlines.

Ad Group level asset testing is a known advertiser request but not available today
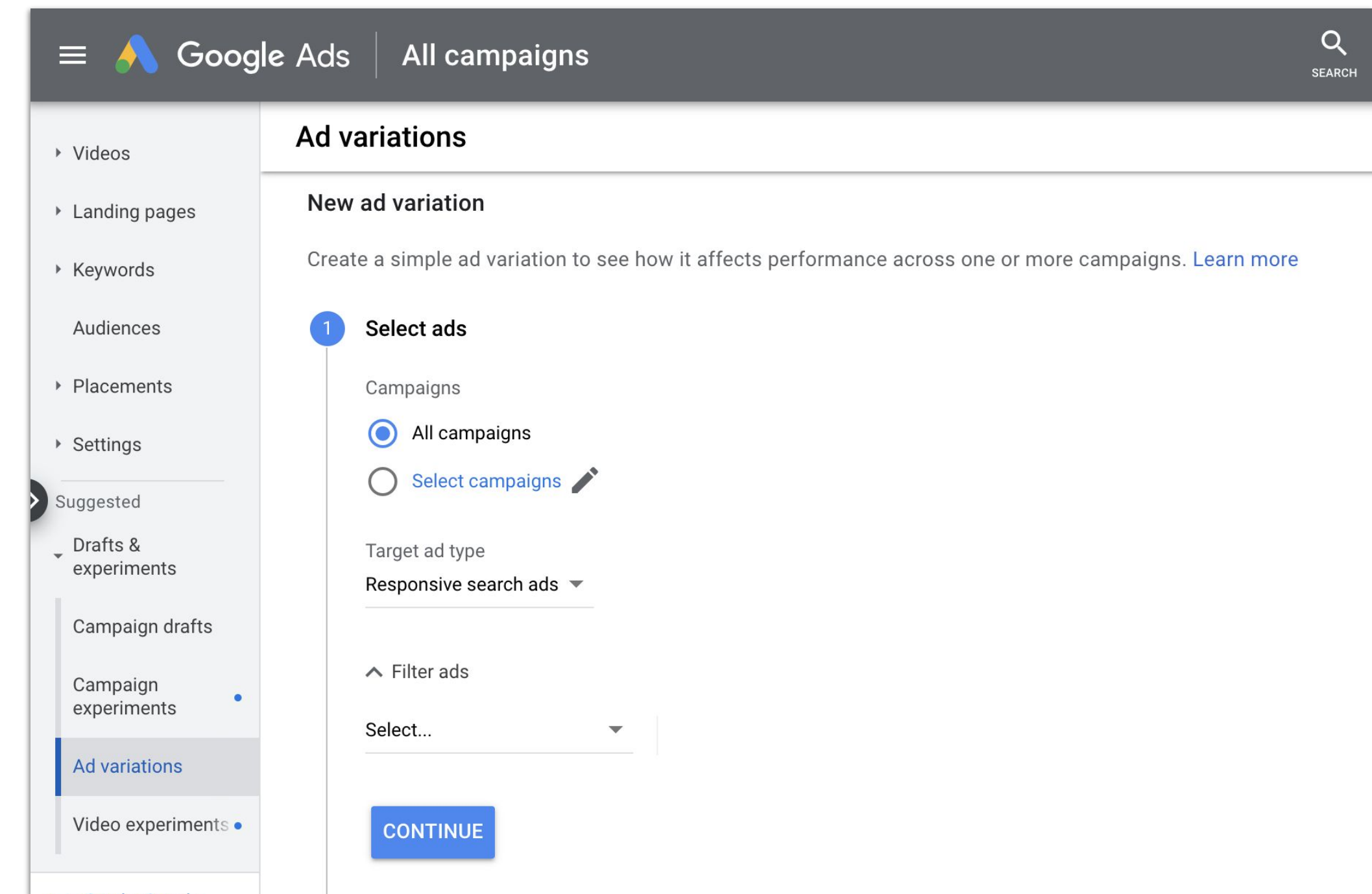
Ad variations Reporting

Test Adding or Removing Assets

Try Big Changes:

- Different offers
- Different UVPs
- New CTAs
- Ad customizers

Test Replacing Assets

Test Small Changes:

- "Save 10%" vs "10% off"
- "31 colors" vs "lots of colors"
- "Find it nearby" vs "Available near you"

Find and replace ▼

Find text | In

Optmyzr | headlines ▼

☐ Match case ☐ Match whole words only

Replace with

Optmyzr.com

Test Pinning

Things to try:

- No pinning vs some pinning vs all pinning
- Pin multiple assets to a location

Update text ▾

Edit

Headlines ▾

Action

Pin ▾

Headline | contains ▾ | Headline to pin

Pin to

position 1 ▾

2. Business Goals → PPC Targets

"You don't put percentages in the bank."
– George Mitchie

The Relationship Between ROAS and Profits

Profit

Break-even tROAS: maximizes revenues

Too low of a tROAS: You spend more on conversions than you make in profit from every conversion

Just right tROAS: conversion volume and profit per conversion are balanced. You maximize profits from PPC

Too high of a tROAS: reduces conversion volume and limits your profits

Missed profit

Grey Zone

Profit Zone

Losses

Low target ROAS

High target ROAS

tROAS

Below break-even tROAS: can produce a loss

Formula for Profit Maximizing ROAS
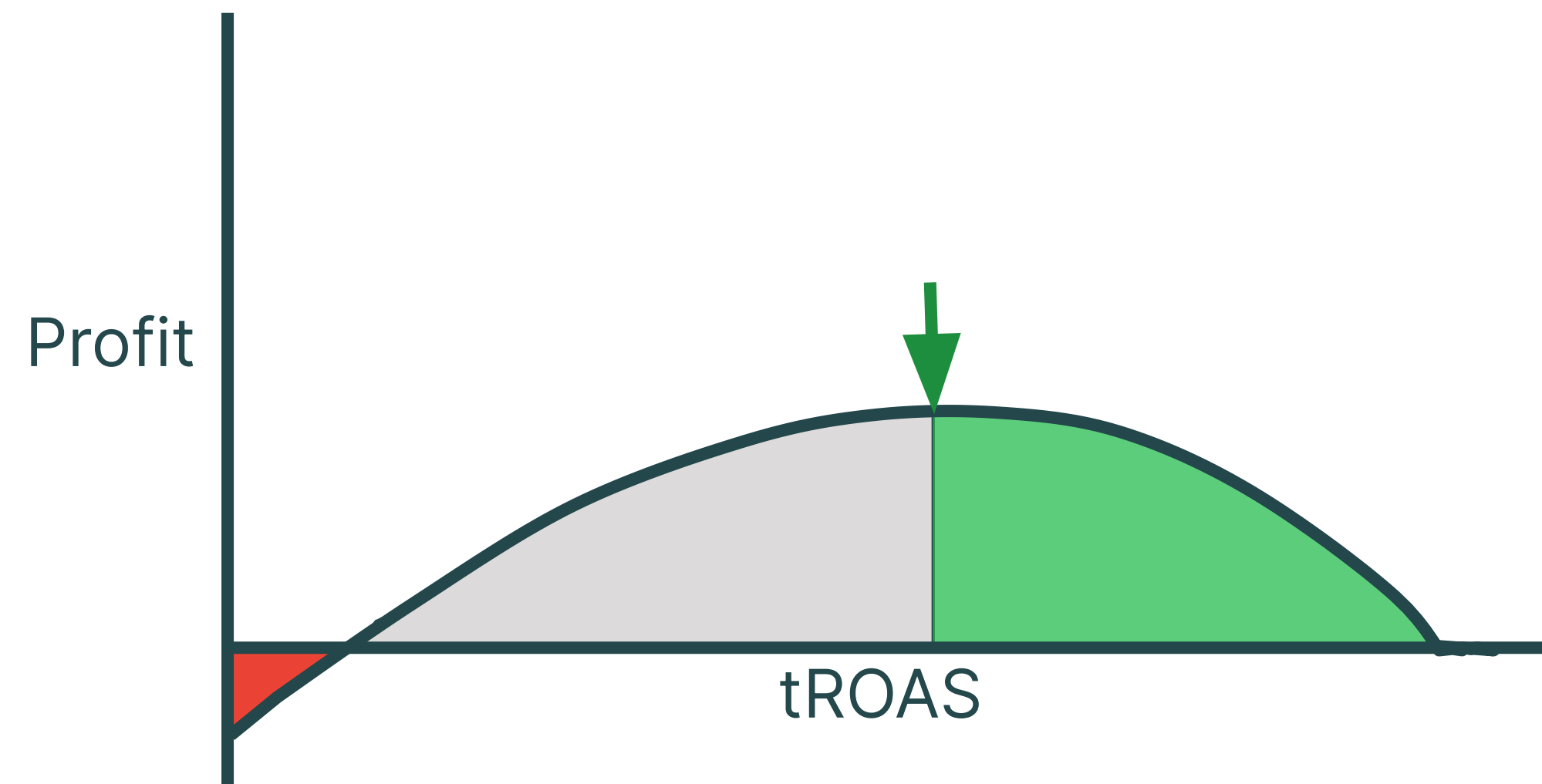
There is no standard formula to find the profit maximizing point on the curve

We need some predictions and experimentation

Step 1: Use Budget Simulator
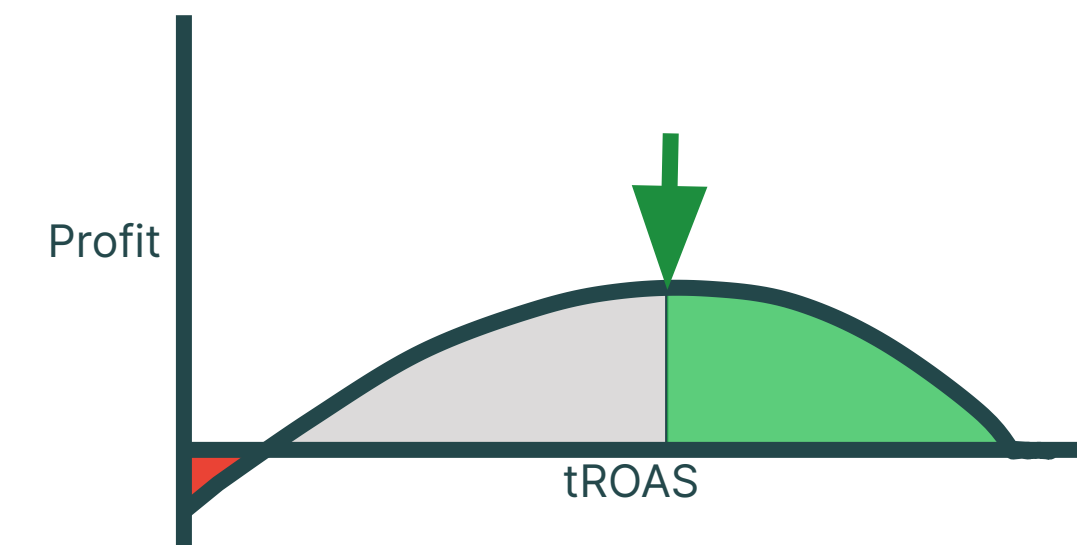
Budget Simulator contains useful predictions about costs, conversions, and conversion values.

ROAS is related to costs. As you allow spend to increase, ROAS tends to decrease.

We can use this data to find the profit maximizing combination of budget and tROAS

Campaign budget simulator: Shopping Campaign Tools

Explore how your budget can impact your Search traffic Learn more

Current simulation

Weekly estimates for your new daily budget

Simulation period: ⑦   May 29 – Jun 4, 2022 ▼

|	Budget	Clicks	Cost	Impr.	Top Impr.	Conv.	Conv. value
○	$207.26/day	29	$783.09	2,541	1,988	3	907.20
○	$92.99/day	11	$372.31	2,462	1,954	1	481.65
○	$86.91/day	11	$368.72	2,450	1,945	1	477.93
○	$68.55/day	11	$348.26	2,432	1,935	1	456.73
○	$66.52/day	11	$344.24	2,412	1,914	1	452.57
◉	$30.00/day (current)	8	$120.71	1,971	1,526	1	221.00
○	$17.94/day	6	$83.59	1,667	1,253	1	153.04

Set a budget of $30.00/day   — Impr. ▼

Calculate Incrementality from Budget Simulator Data

Calculated Data based on Budget Simulator

Cost	Conv	Value	Avg ROAS	Incremental Cost	Incremental Value	ROAS on Incr. Cost
83.59	1	153.04	183%	N/A	N/A	**N/A**
120.71	1	221	183%	$37.12	$67.96	**183%**

Budget Simulator Estimates

Cost	Impr.	Top Impr.	Conv.	Conv. value
$783.09	2,541	1,988	3	907.20
$372.31	2,462	1,954	1	481.65
$368.72	2,450	1,945	1	477.93
$348.26	2,432	1,935	1	456.73
$344.24	2,412	1,914	1	452.57
$120.71	1,971	1,526	1	221.00
$83.59	1,667	1,253	1	153.04

Spend this…

… to earn this

which has an incremental ROAS of this

Avg ROAS ≠ Incremental ROAS

As we dial up spend, the average ROAS may remain acceptable while the incremental ROAS gets really poor.

Cost	Conv	Value	Avg ROAS	Incremental Cost	Incremental Value	ROAS on Incr. Cost
83.59	1	153.04	183%	$83.59	$153.04	**183%**
120.71	1	221	183%	$37.12	$67.96	**183%**
344.24	1	452.57	131%	$223.53	$231.57	**104%**
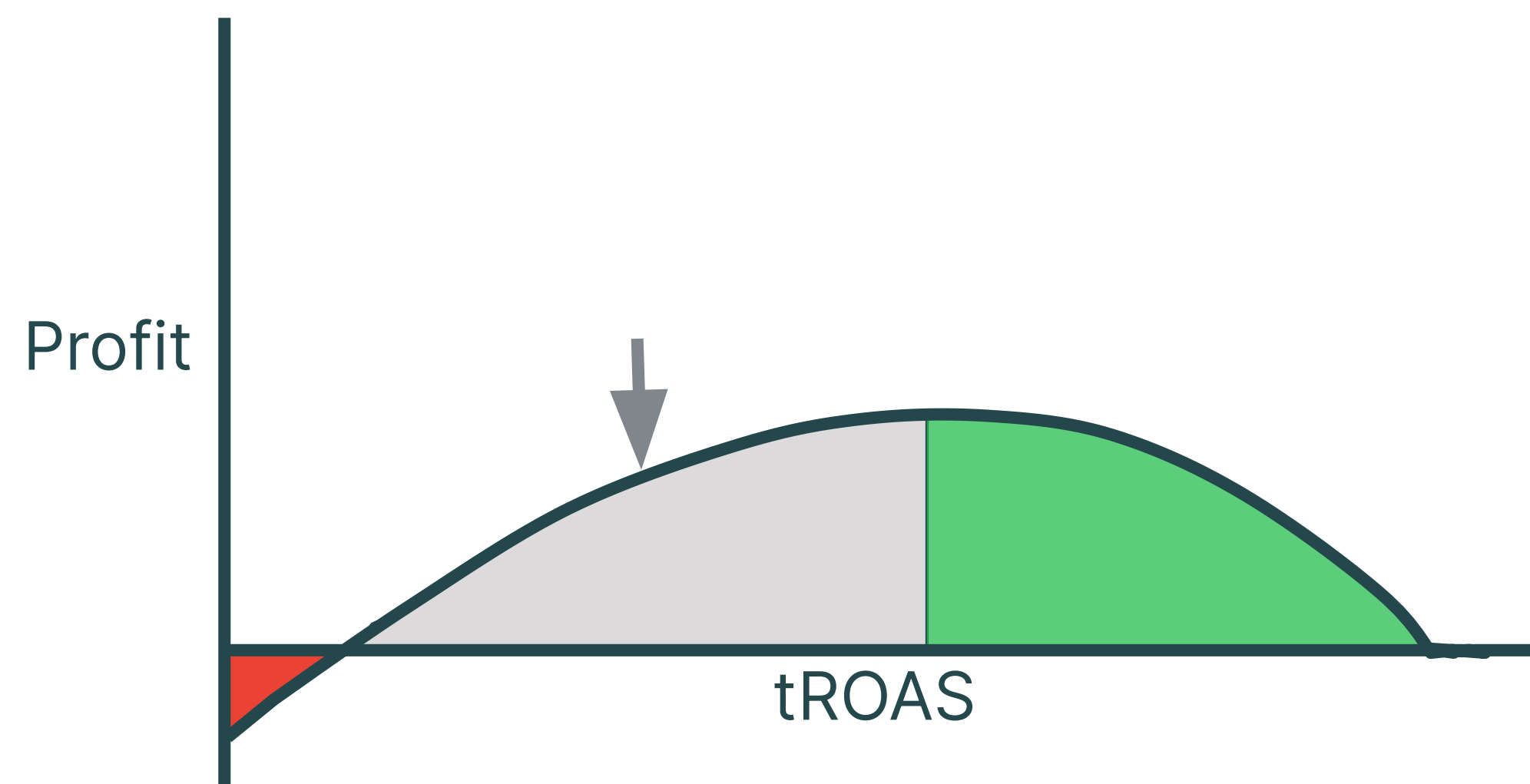
ROAS on total investment is 131%

ROAS on extra investment is only 104%

Profit

tROAS

The Maximize Conversion Value strategy will continue spending your money so long as the **average** ROAS is acceptable

But the incremental ROAS may be lower so every extra conversion costs you money

Google's flagship, state-of-the-art automated bidding strategy, Maximize Conversion Value, when working optimally, will give you **exactly $0 of profit**

Predictions Are Full of Unknowns

There is a big gap in Google's predictions between $120.71 and $344.24 in cost.

Could we maximize profits with a spend of $200 instead of $120.71?

Low target ROAS
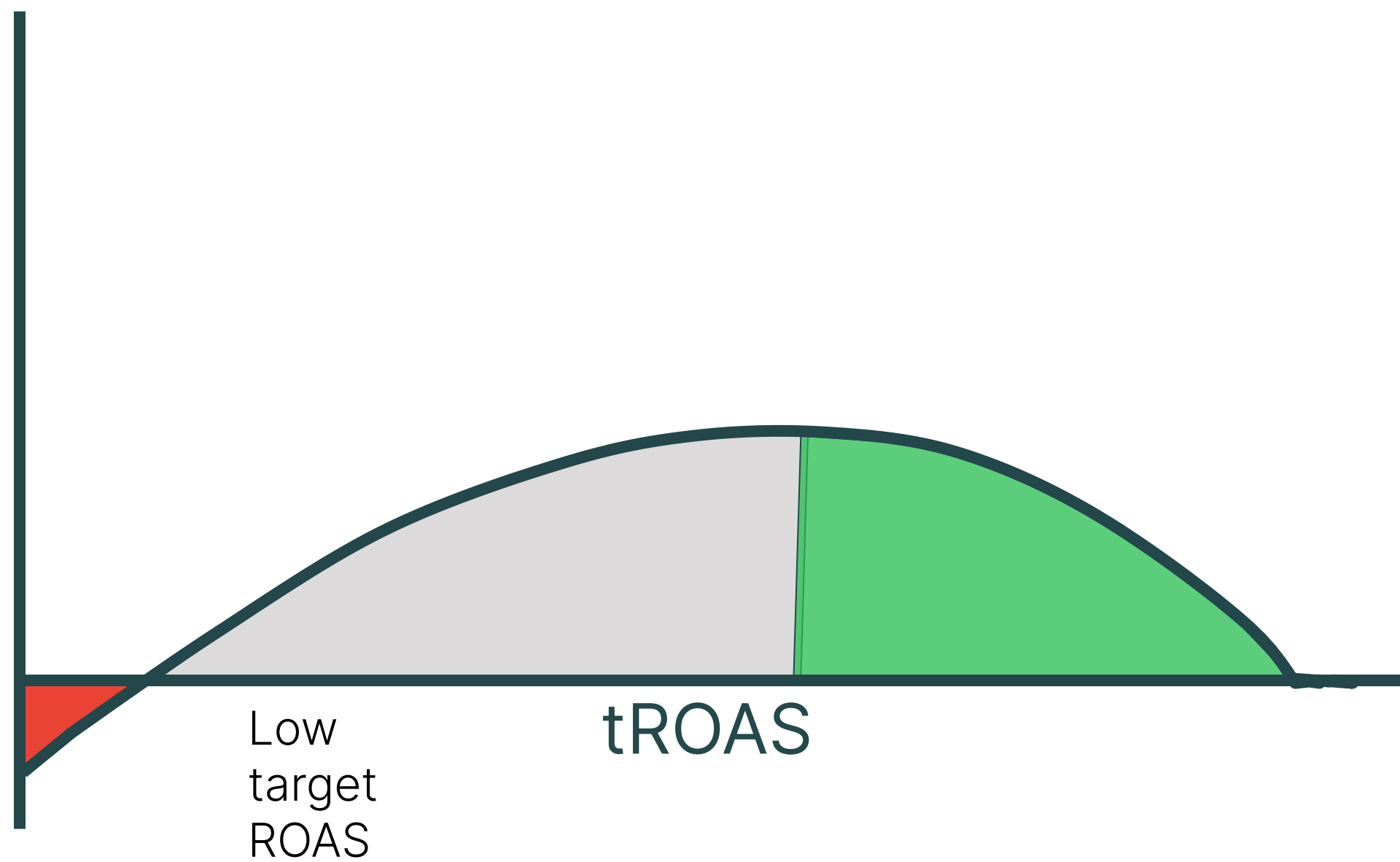
tROAS

Cost	Avg ROAS	ROAS on Incr. Cost
83.59	183%	183%
120.71	183%	183%
344.24	131%	104%
348.26	131%	103%
368.72	130%	104%
372.31	129%	104%
783.09	116%	104%

High target ROAS

Automation Layering Solution: Target ROAS

Start with a tROAS higher than your break-even ROAS

Then use this method to discover the optimal ROAS to maximize profits

Keep or increase tROAS

ROAS above breakeven ROAS

YES

decrease tROAS

wait 7 days

MEASURE

prior 7 days (14-8d ago)

Performance at Prior tROAS
cost
value
value / cost

Incrementality
Incr. cost
Incr. value
Incr. value / Incr. cost

last 7 days (7-1d ago)

Performance at New tROAS
cost
value
value / cost

Incremental ROAS above breakeven ROAS

NO

YES
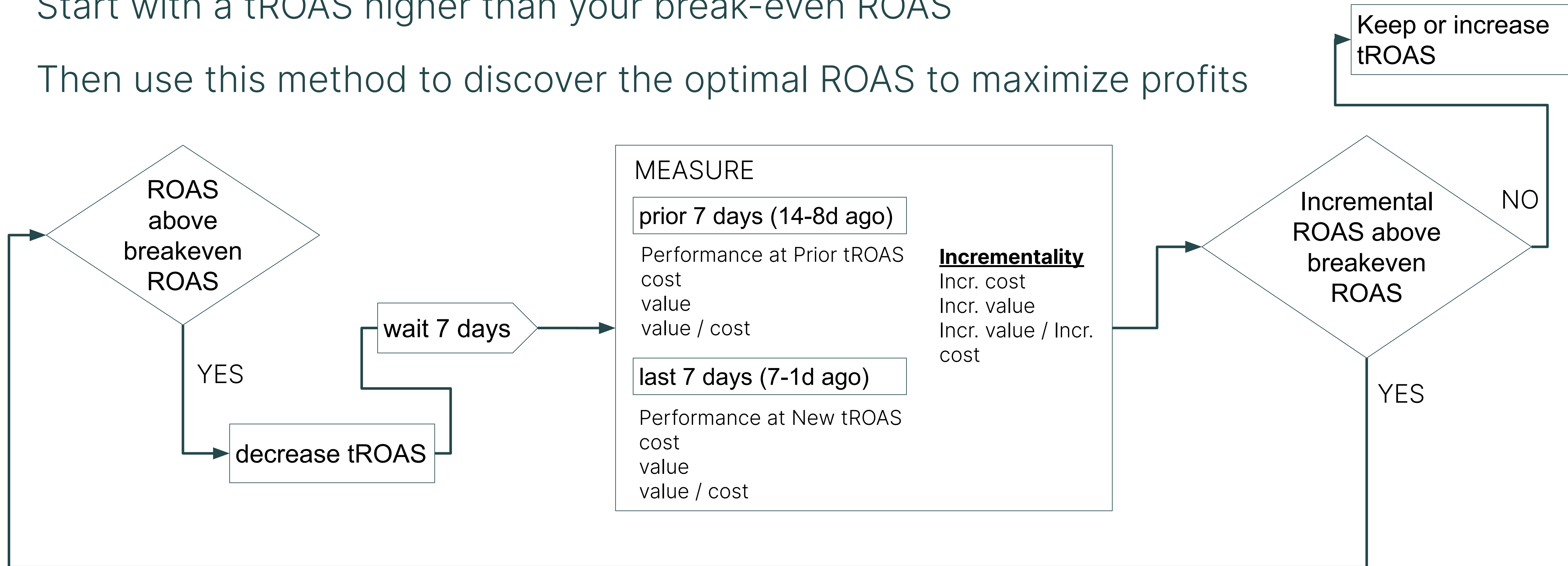
Performance Max Tip: Use Multiple Campaigns

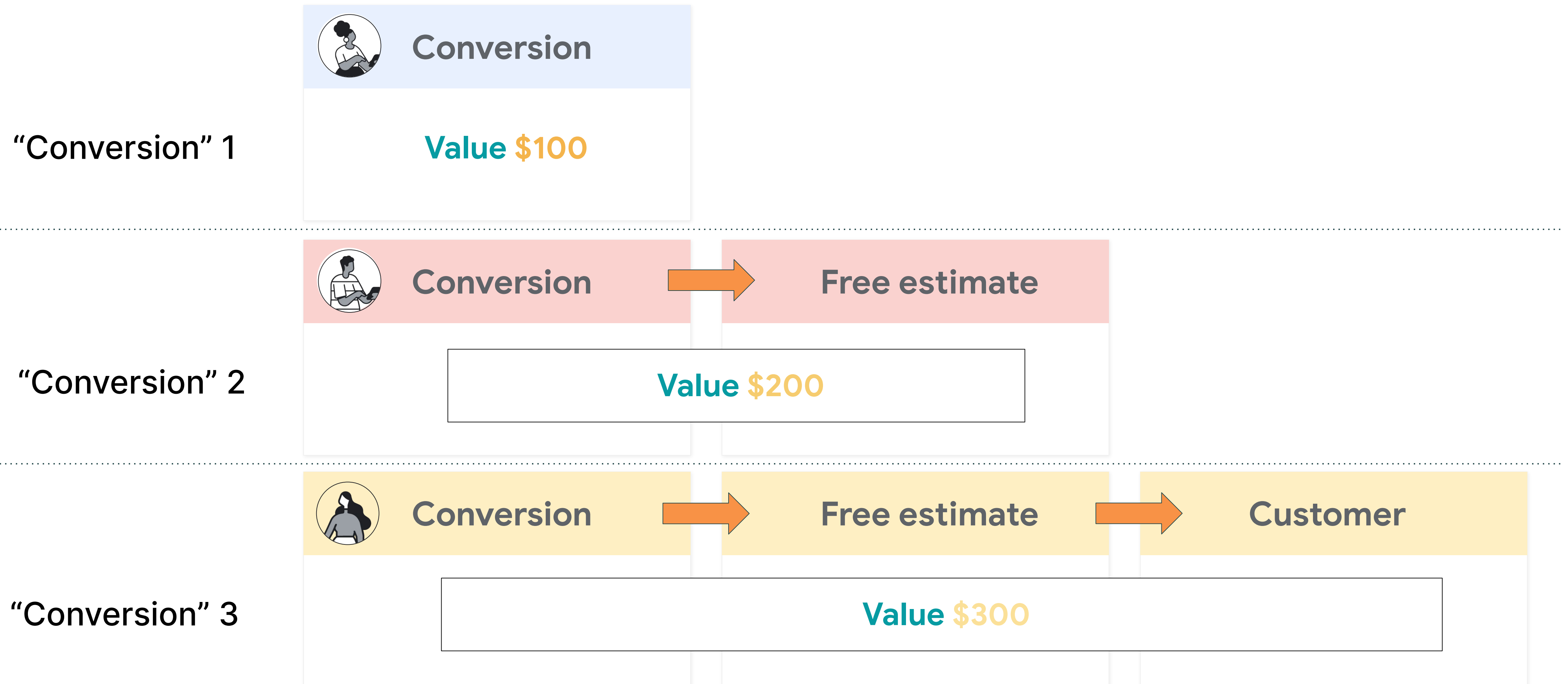|	PMax Campaign - High Margin	PMax Campaign 2 - Low Margin
PRODUCTS (Listing Groups)	Outdoor Furniture > Umbrellas Outdoor Furniture > Dining sets	Outdoor Furniture > Throw pillows Outdoor Furniture > Rugs
Creatives (Asset Groups)	Patio Umbrellas Outdoor Dining Sets	Pillows Rugs
tROAS	**200%**	**600%**

By maintaining many campaigns, you can also change targets in response to promotions and seasonality

Tip: You can add negatives using account-level lists

3. Conversion Optimization

Not All "Conversions" Are Equal - Lead Gen Example

"Conversion" 1

Conversion
Value **$100**

"Conversion" 2

Conversion	→	Free estimate

Value **$200**

"Conversion" 3

Conversion	→	Free estimate	→	Customer

Value **$300**

CPA Bidding

"Conversion" 1

Conversion	Bid: $10
Value $100	

"Conversion" 2

Conversion	Free estimate
Value $100	Bid: $10 Value $200

"Conversion" 3

Conversion	Free estimate	Customer
Value $100	Bid: $10 Value $200	Value $300

ROAS Bidding

"Conversion" 1

Conversion — Bid: $10

Value $100

"Conversion" 2

Conversion → **Free estimate** — Bid: $20

Value $100   **Value $200**

"Conversion" 3

Conversion → **Free estimate** → **Customer** — Bid: $30

Value $100   **Value $200**   **Value $300**

But what if you don't have a CRM integration with PPC?

Value Rules: What's a Typical Scenario by Geo

"Conversions" from India

🇮🇳 **Conversion**	Bid: $10
Value $100	

"Conversions" from the UK

🇬🇧 **Conversion** → **Free estimate**	Bid: $20
Value $100 **Value $200**	

"Conversions" from the USA

🇺🇸 **Conversion** → **Free estimate** → **Customer**	Bid: $30
Value $100 **Value $200** **Value $300**	
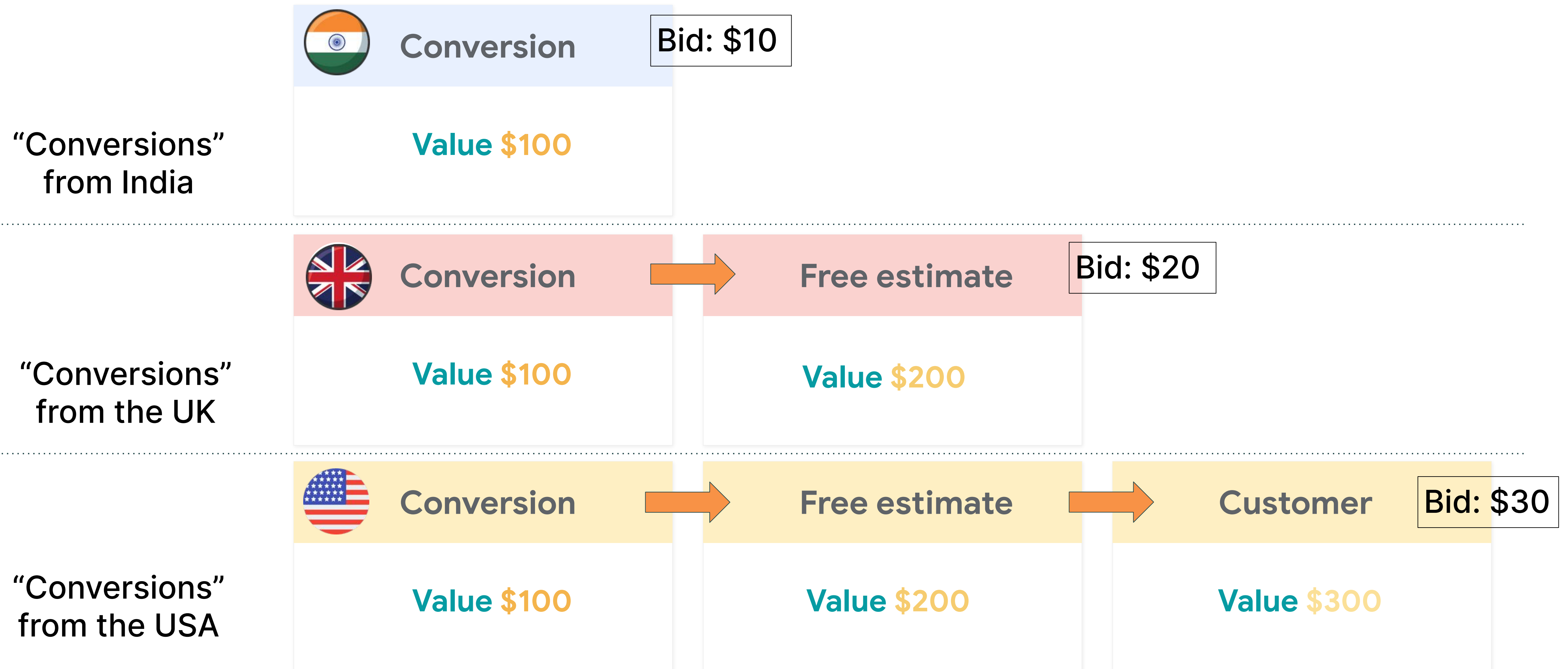
An Email Address Replaces the GCLID for Tracking

This is better because you already store the email in your CRM.

→ No need to store a gclid too!
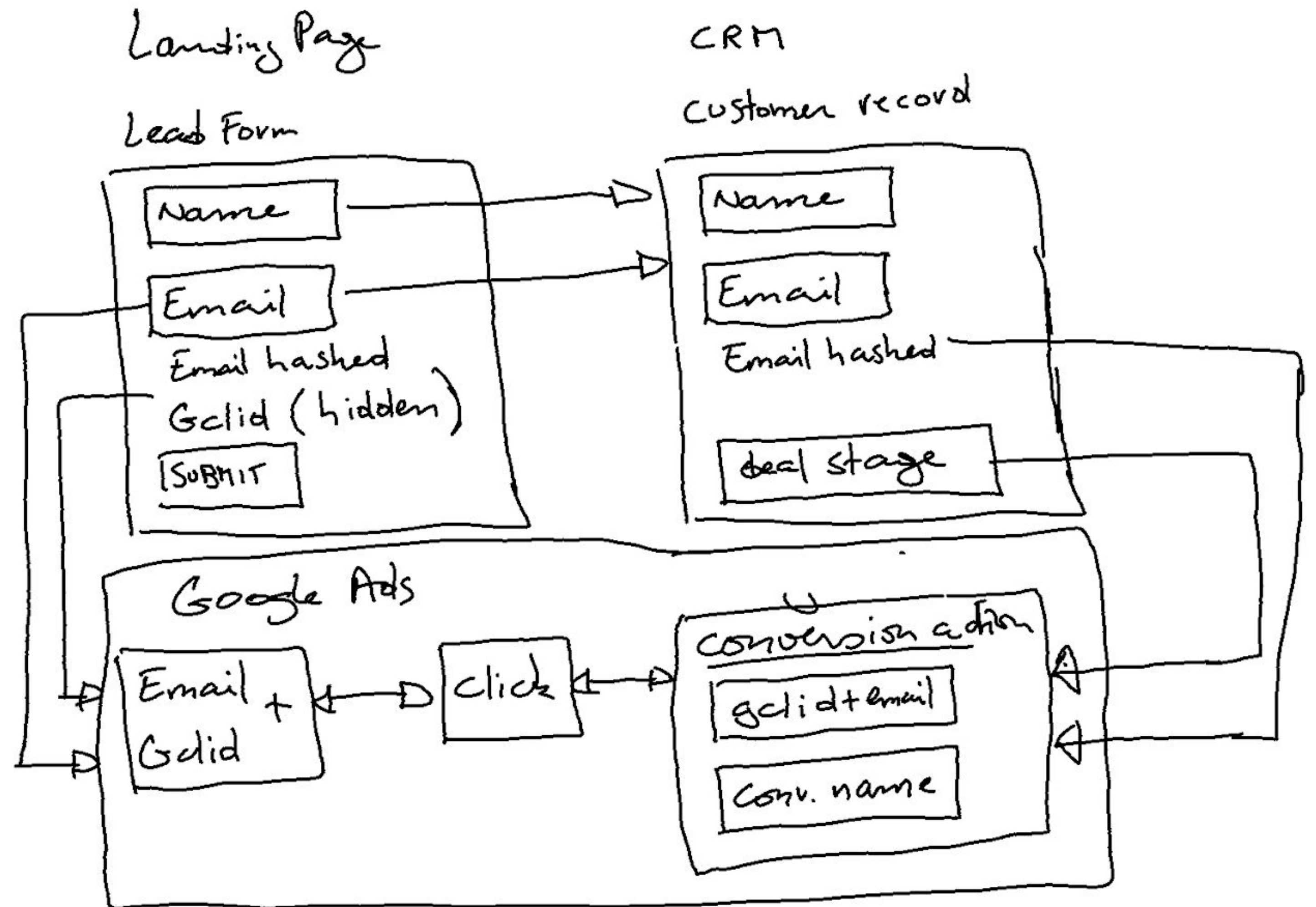
KEY TAKEAWAYS

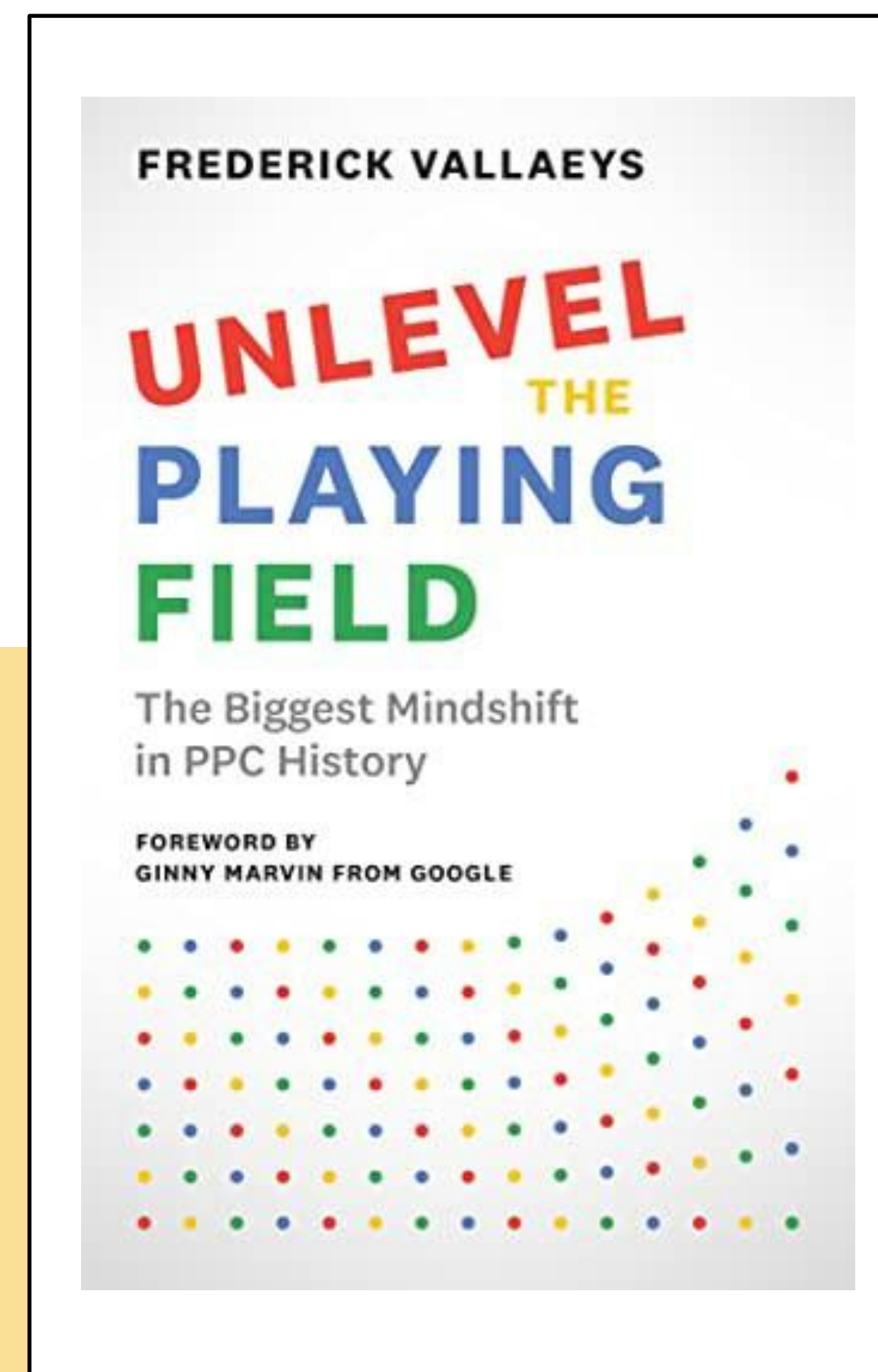# Could we Apply What we Learned to Performance Max

Modern PPC Management in 2022 Requires a Mindshift.

Performance Max are a great test of the new principles:

1. Write better ad assets and A/B test them with Ad Variations
2. Optimize your merchant and location feeds
3. Pick a smart tROAS and create a campaign structure that mirrors your business' needs
4. Share data about your true goals by fixing how you report conversions
5. Use your other campaign types to find money-wasting keywords and placements. Then exclude them at the account level where they will also act on PMax.
6. When you omit certain assets, it limits which channels the ads will run on. This can make it more targeted.

How To Get More Comfortable With Automation Layering

- Keep sharing and learning from online communities like PPC Town Hall and **#ppcchat**

- Invest in 3rd party tools like Optmyzr to work smarter, faster, safer

- Read my new book – get your paperback or ebook from Amazon

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Thanks

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