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What Most DTC Brands Get Wrong with Google Ads

Intro

Andrew Lolk
Founder @ SavvyRevenue

- +30 eCommerce advertisers in Europe & USA
- Specialized in mid-to-large eCommerce stores
- Been in PPC since 2009
- Top 25 PPC expert on various lists

- A year on the other side
- Meta vs Google
- The 9 step framework

I spent a year with the other side

About Pizzori

Made By Pizza Lovers for Pizza Lovers

I love pizza. I have every tool from the stone, steels or the ooni. I've made pizzas at home, in pizzerias, on the grills or camping.

Our cast-iron pizza steel is the best balance between impact and effect, but the regular ones discolor fast and are unhandy.

I felt that I could come up with a better version. The Pizzori® pizza steel is me taking everything I disliked about the traditional baking steel, and improved upon.

See our journey from stone to cast iron
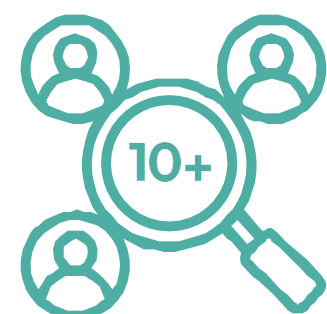
Google Ads people have no idea

Google Ads people have no idea

Meta Ads people have no idea

What are the differences?

Meta vs. Google

	Meta Ads	**Google Ads**
Budget	Scale to the moon	Limited potential
Bidding	Spend budget daily	Spend to a ROAS target daily
Creative	90% of the game	Largely irrelevant
Platforms	One platform	Search & Shopping ≠ Display & Video

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Meta vs. Google

	Meta Ads	Google Ads
Mindset	Creative	Spreadsheet
Open to all?	Pretty much	Winner takes all
Funnel	Capture & generating	Mostly demand capture
Incremental	Can be…	Can be…

Let's dig into the meaty parts

Key 3 areas

1. Campaign understanding

2. Bid management

3. Incrementality

1) Campaign understanding

To be succesful in Google you need to understand:

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1	Search/Shopping ≠ Display/Video

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To be succesful in Google you need to understand:

1 Search/Shopping ≠
Display/Video

2 Display on Google
sucks.

1) Campaign understanding

To be succesful in Google you need to understand:

1	Search/Shopping ≠ Display/Video	**2**	Display on Google sucks.	**3**	YouTube is tough

2) Bid Management

Meta and Google are too different animals
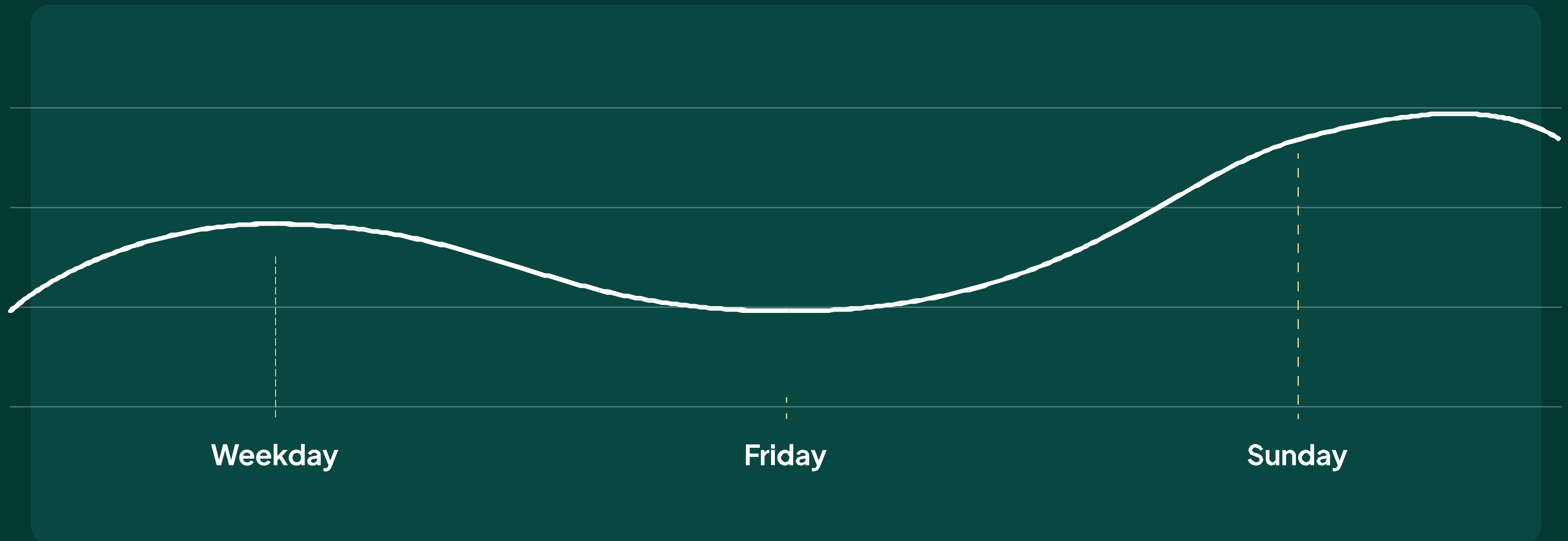
Meta has steady users

Weekday

Friday

Sunday
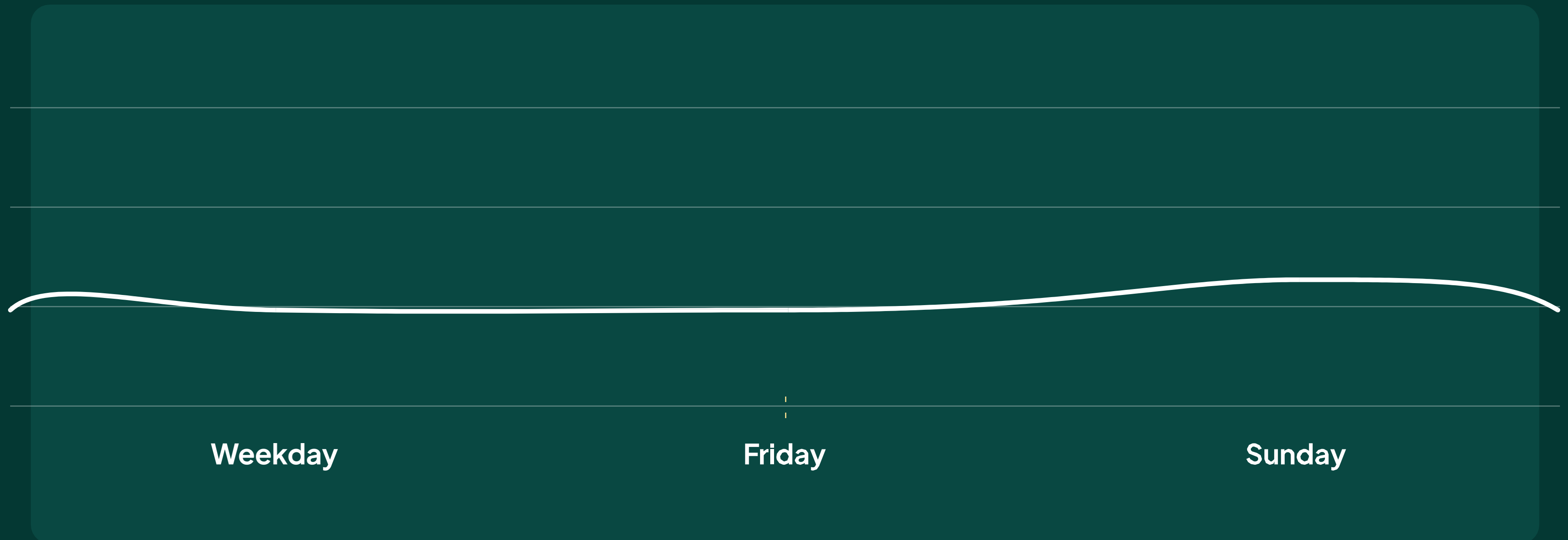
No matter if you get 500, or 5,000 clicks this is the math:

+

=

No matter if you get 500, or 5,000 clicks this is the math:

$3 CPCs + =

No matter if you get 500, or 5,000 clicks this is the math:

$3 CPCs + **5% Conversion Rates** =

No matter if you get 500, or 5,000 clicks this is the math:

$3 CPCs + 5% Conversion Rates = 500% ROAS

Spending the same budget
no matter the search volume is bad
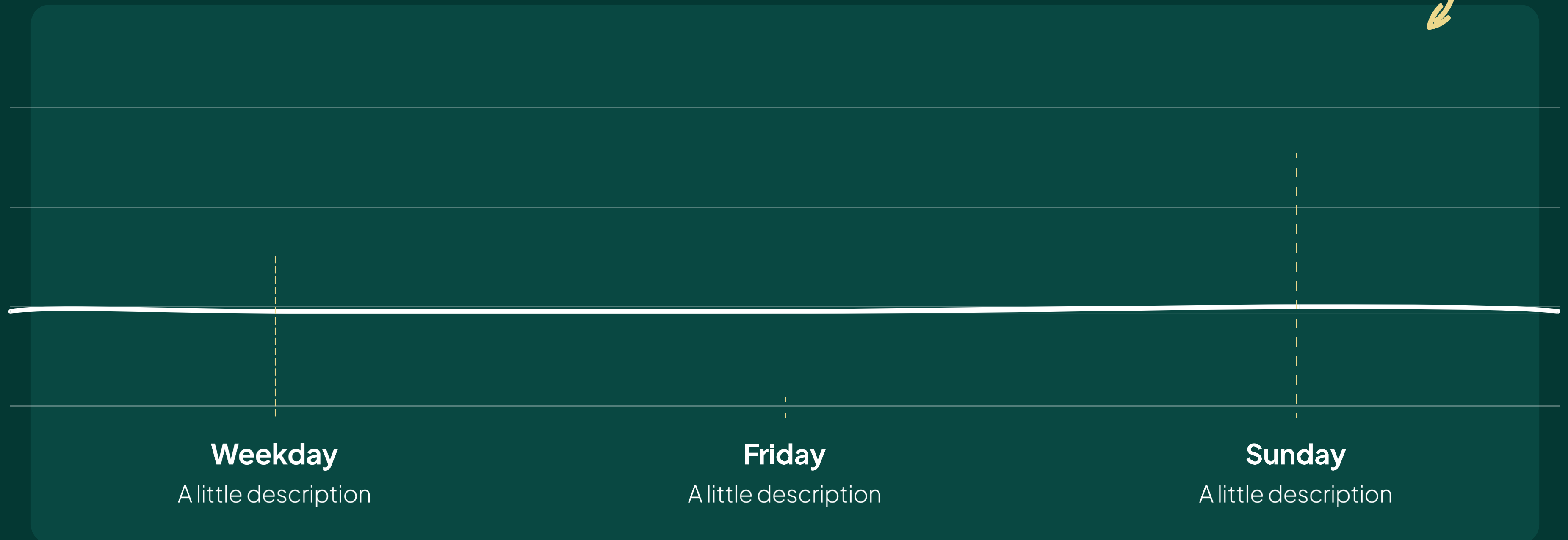
Weekday
A little description

Friday
A little description

Sunday
A little description

1 Spend to a ROAS target **VS** Spend to a budget **2**

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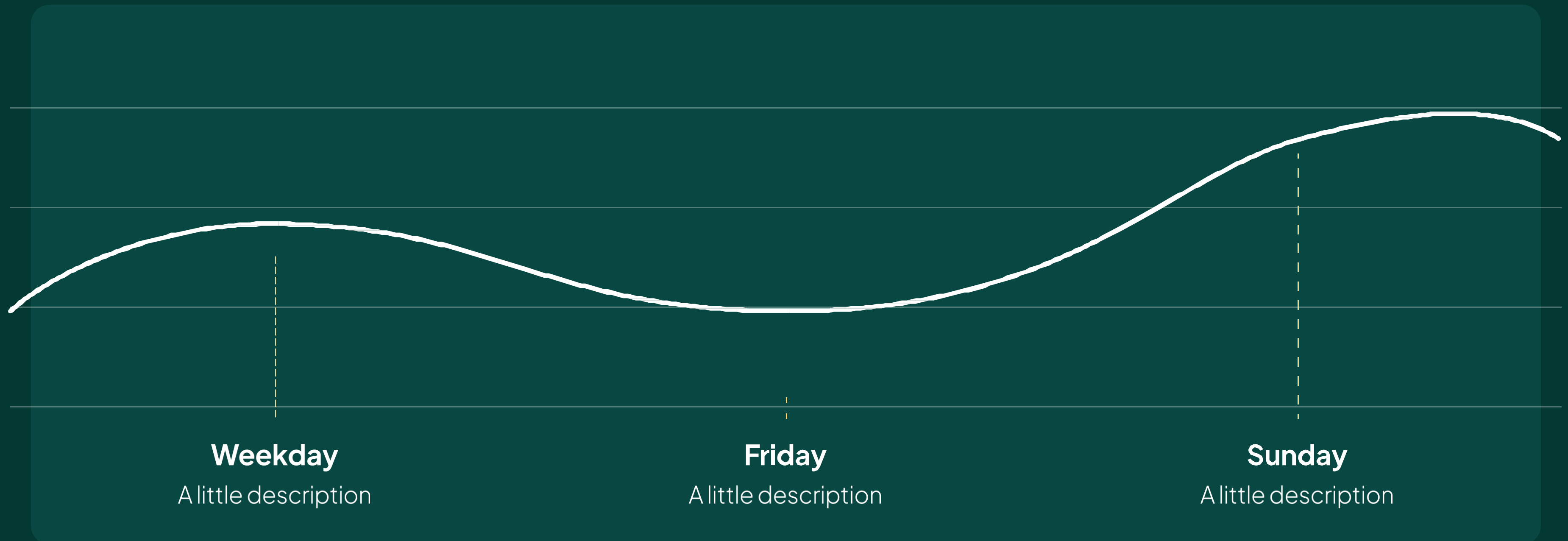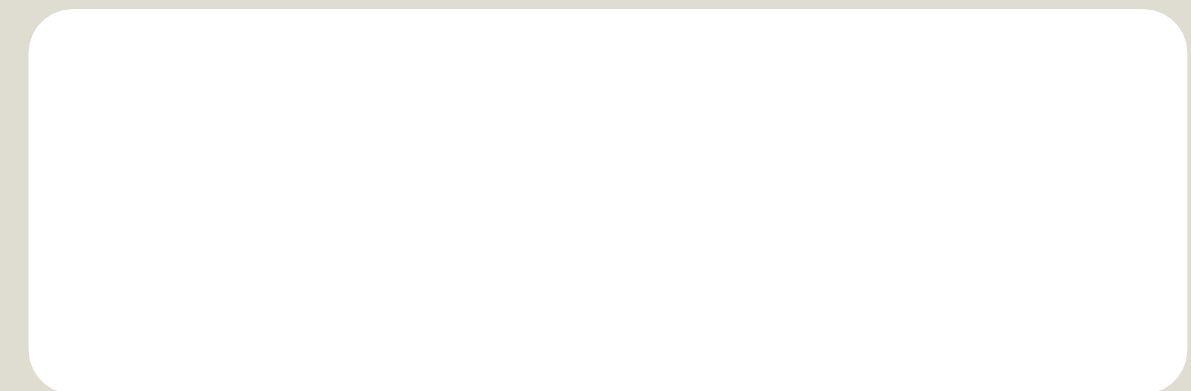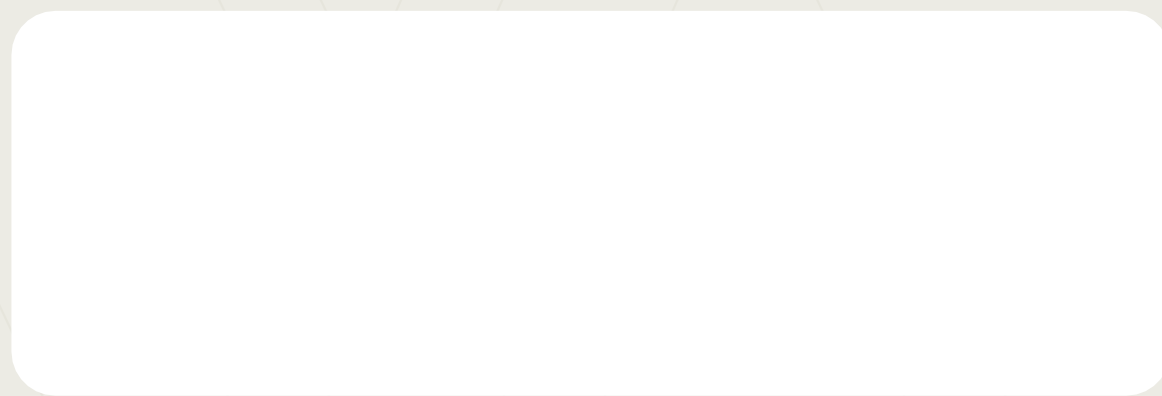
1 Spend to a ROAS target **VS** Spend to a budget **2**

Works for
demand capture

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3) Incrementality

Google and Meta have the same issues

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Google and Meta have the same issues

⊗ **Meta** — Too much **retargeting** = Not incremental

⊗

3) Incrementality

Google and Meta have the same issues

⊗ **Meta** — Too much **retargeting** = Not incremental

⊗ **Google** — Too much **brand** = Not incremental

Google is _worse_ IMO

Google is worse IMO
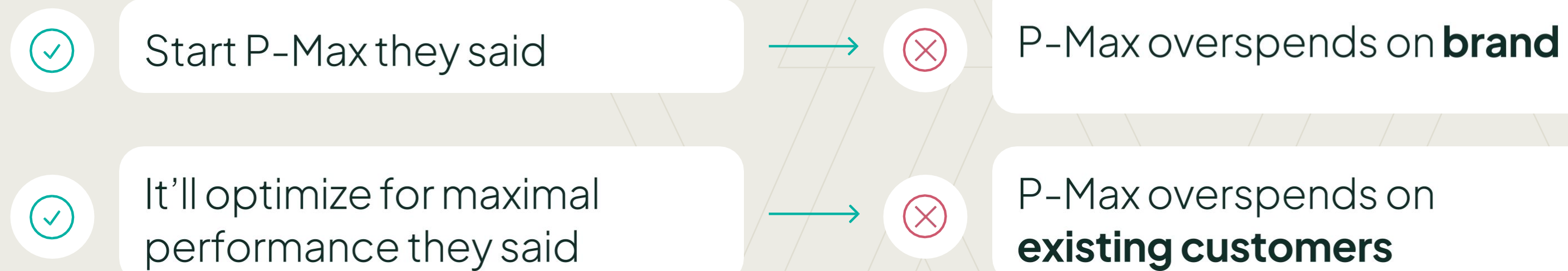
✓ Start P-Max they said →

Google is <u>worse</u> IMO

✓ Start P-Max they said ⟶ ⊗ P-Max overspends on **brand**

Google is worse IMO

Start P-Max they said → ✕ P-Max overspends on **brand**

It'll optimize for maximal performance they said → ✕ P-Max overspends on **existing customers**

A generation of meta advertisers forgot the basic premise of Google Ads

The basic premise

You have a product that people want

A

B

C
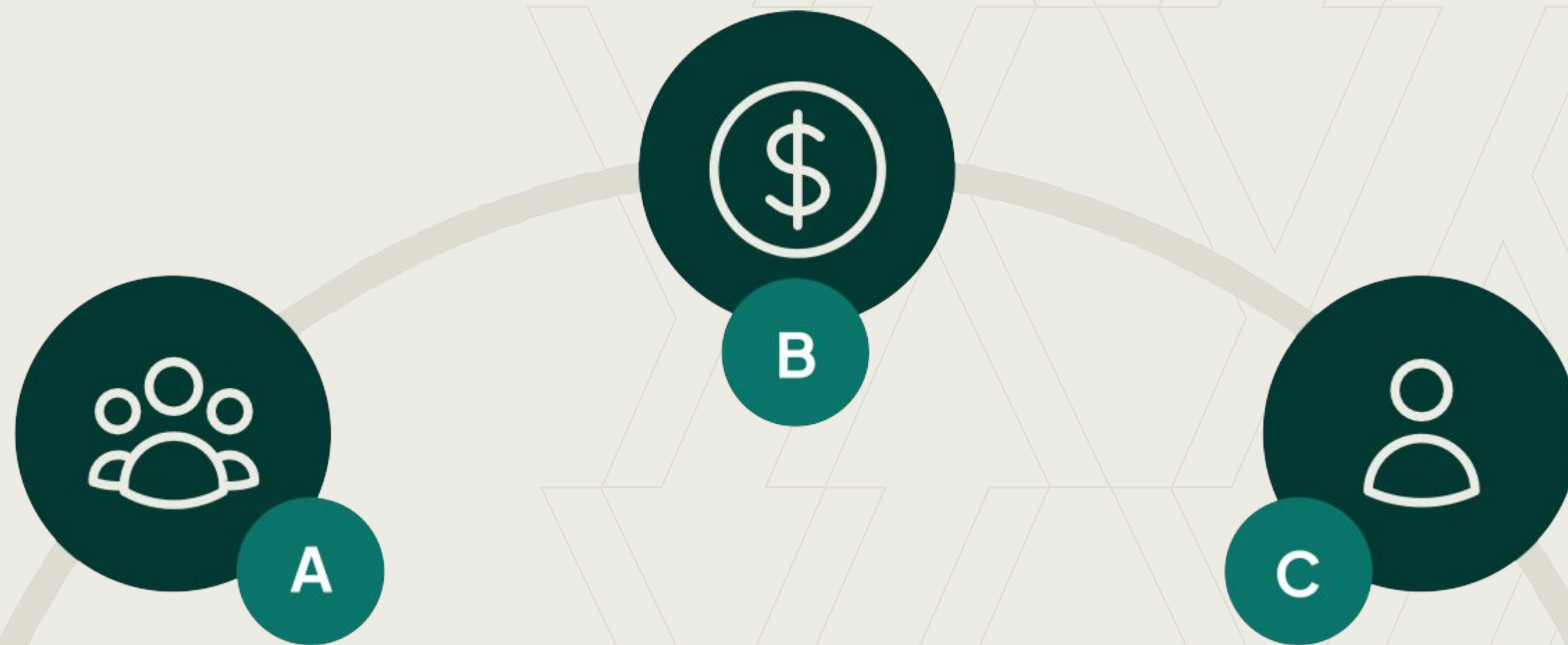
This is still unbelievably <u>powerful</u>

⊗ **But not** if you spend on brand terms

⊗ **But not** if you spend Display or Video

If you can't make it work you:

A) Doing it **wrong**

B) Have a **bad** product

How to do it right

1. Brand vs Non-brand setup
2. Defined Google Shopping setup
3. Defining incrementality of Google Ads
4. Managing bids/budgets during sale periods
5. Blended ROAS and Meta Ads advertising
6. Landing Page Testing
7. Focus on Contribution Margin
8. Year-over-year product analysis
9. Incrementality on the last dollar spent

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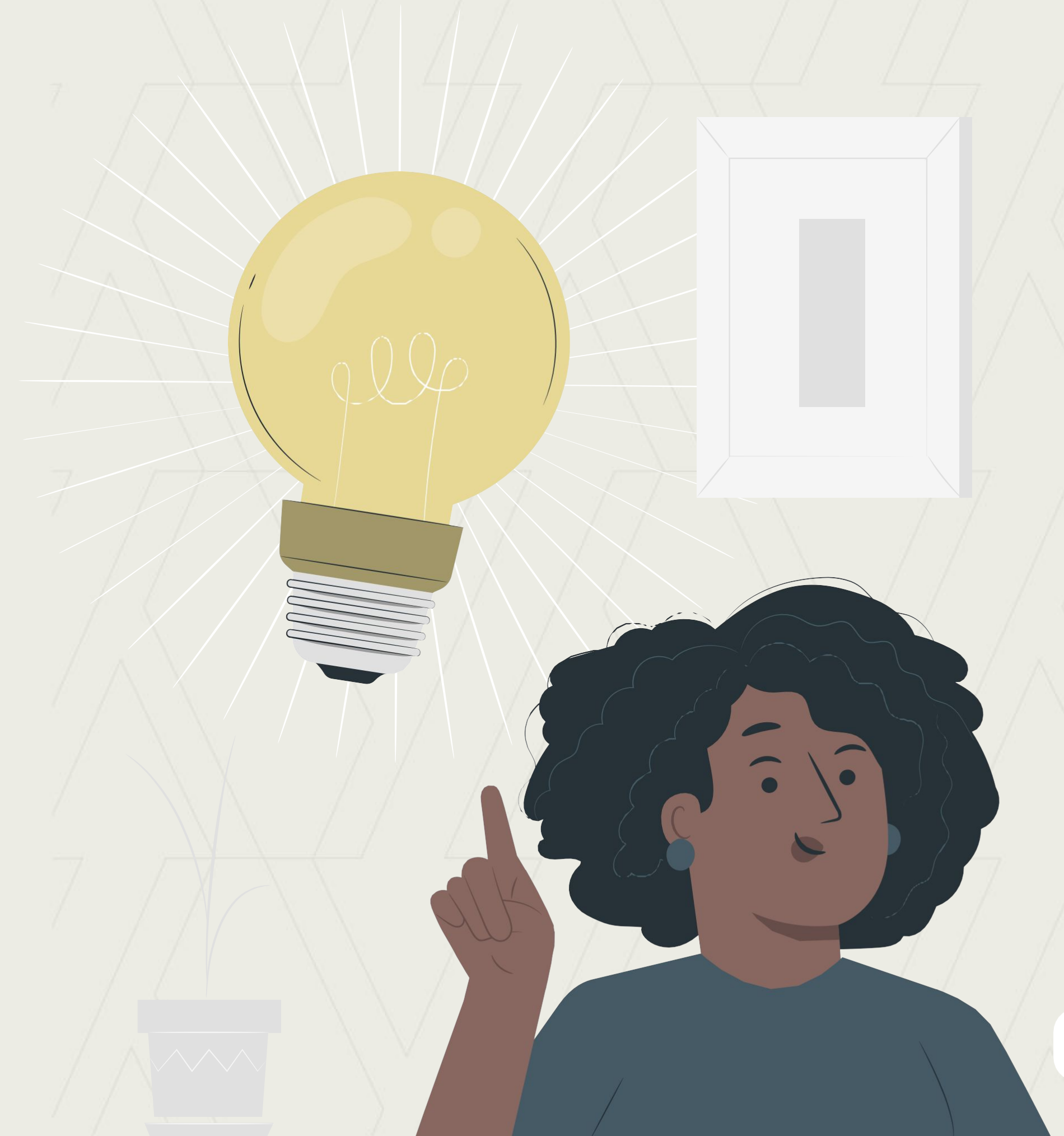
1) Brand vs. Non-brand setup

Brand segmentation is a must if you:

| Spend | → | > $20,000/mo. on Meta Ads |
| Revenue | → | > $5m / year |

In other words: if people search for your brand you should segment...

But Andrew, I get new customers from brand searches so it's incremental

That's not what incremental means

Test

Control

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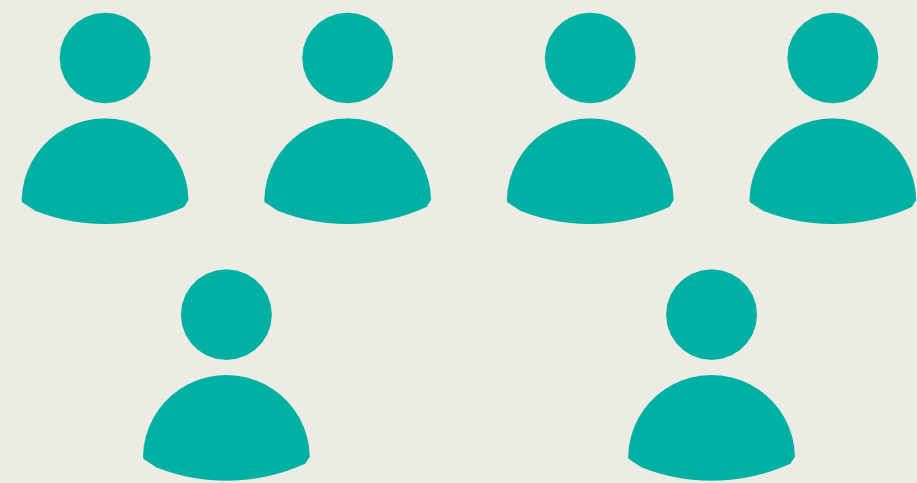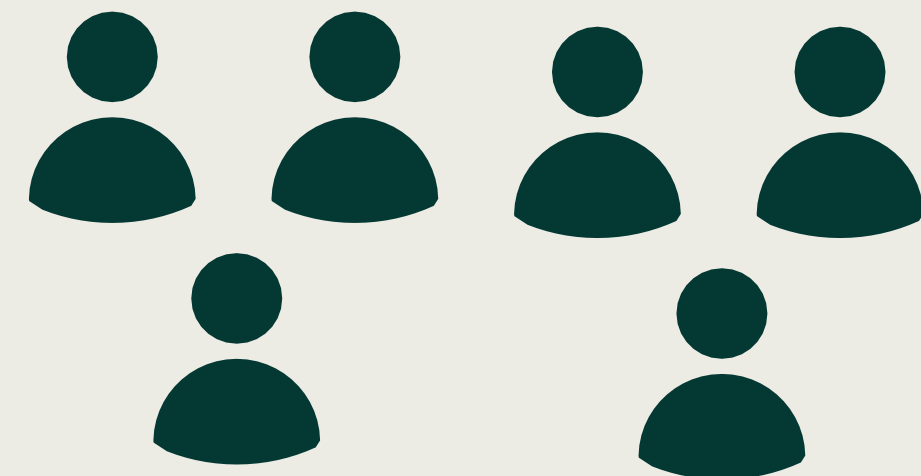
New customers doesn't mean incremental

Incrementality

20% more conversions than before $$$
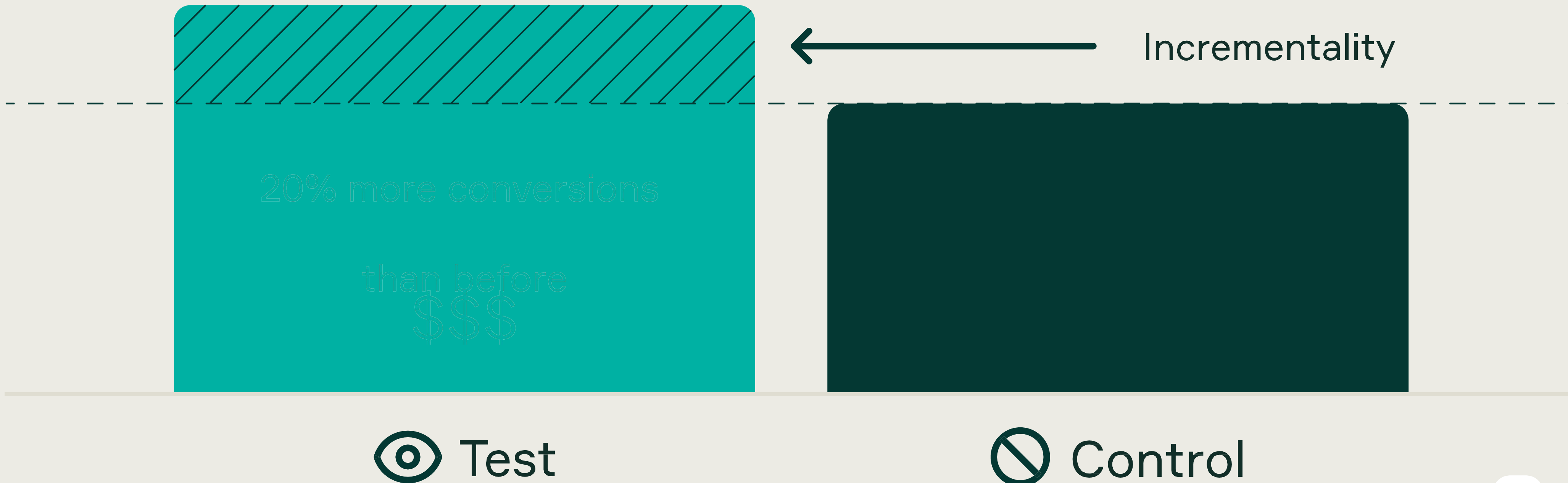
👁 Test   🚫 Control

Split brand and Non-brand

Shopping:

- High Priority **non-brand** campaign
  - Exclude branded keywords
- Medium **brand** campaign
  - Manual CPC

Search:

- Dedicated Search campaign
- Exclude branded keywords from **all other** campaigns

Anybody saying you can't do this is wrong

Campaign	Avg. CPC	Impr. (Abs. Top) %	Conv. value	ROAS (7d)
Total: Campaigns in your current view	£0.64	34.01%	10,735,088.81	567.74%
00: Brand	£0.08	82.25%	5,422,871.50	5,951.56%
S: Bestseller	£1.28	—	1,585,568.40	296.23%
S: Bestseller Backend/Previous	£1.05	—	473,965.89	294.57%
S: 00: Brand	£0.32	—	732,507.91	1,563.65%
S: ▓▓▓ Regular	£0.78	—	175,101.02	142.46%

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Keyword	Cost	Revenue	ROAS
Best running shoes	$1,444	$7,971	5.52
Running shoes for men	$1,454	$6,630	4.56
Running shoes for women	$3,942	$5,716	1.45
Lightweight running shoes	$2,371	$14,202	5.99
Trail running shoes	$4,552	$35,324	7.76
Cushioning running shoes	$2,689	$3,549	1.32
Road running shoes	$4,791	$32,914	6.87
Stability running shoes	$3,162	$20,648	6.53
Minimalist running shoes	$2,340	$11,326	4.84
High-performance running shoes	$2,072	$15,623	7.54
Running shorts	$4,951	$11,833	2.39
Running shirts	$953	$991	1.04
Running tights	$2,591	$15,520	5.99

2) Defined Google Shopping setup

First try:

- All products in one campaign
- Profitable ROAS target
- Let's see what we can get

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2nd Try: Help Google

Priority levels:

2nd Try: Help Google

Priority levels:

| **High** | → | Show these **first** |
| **Medium** | → | **Then** show these |
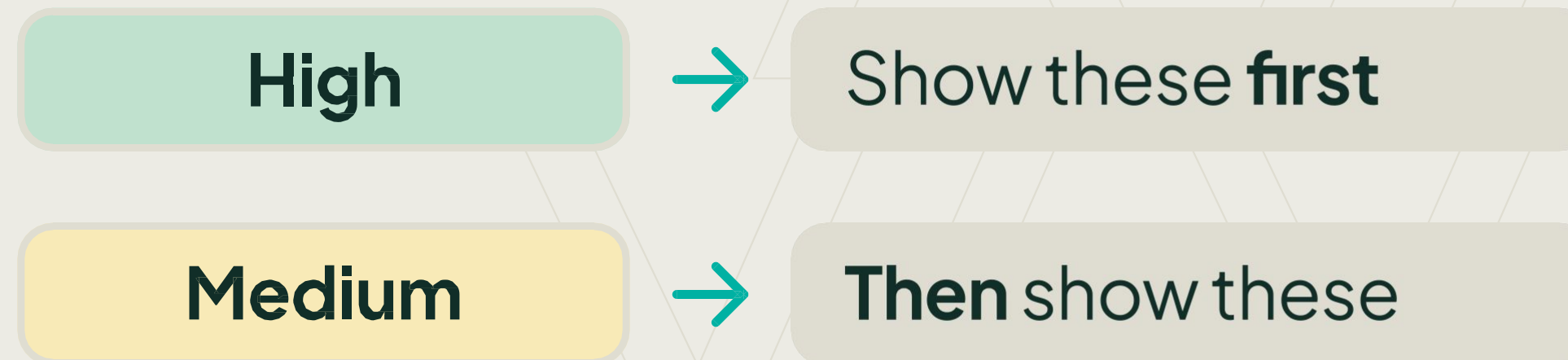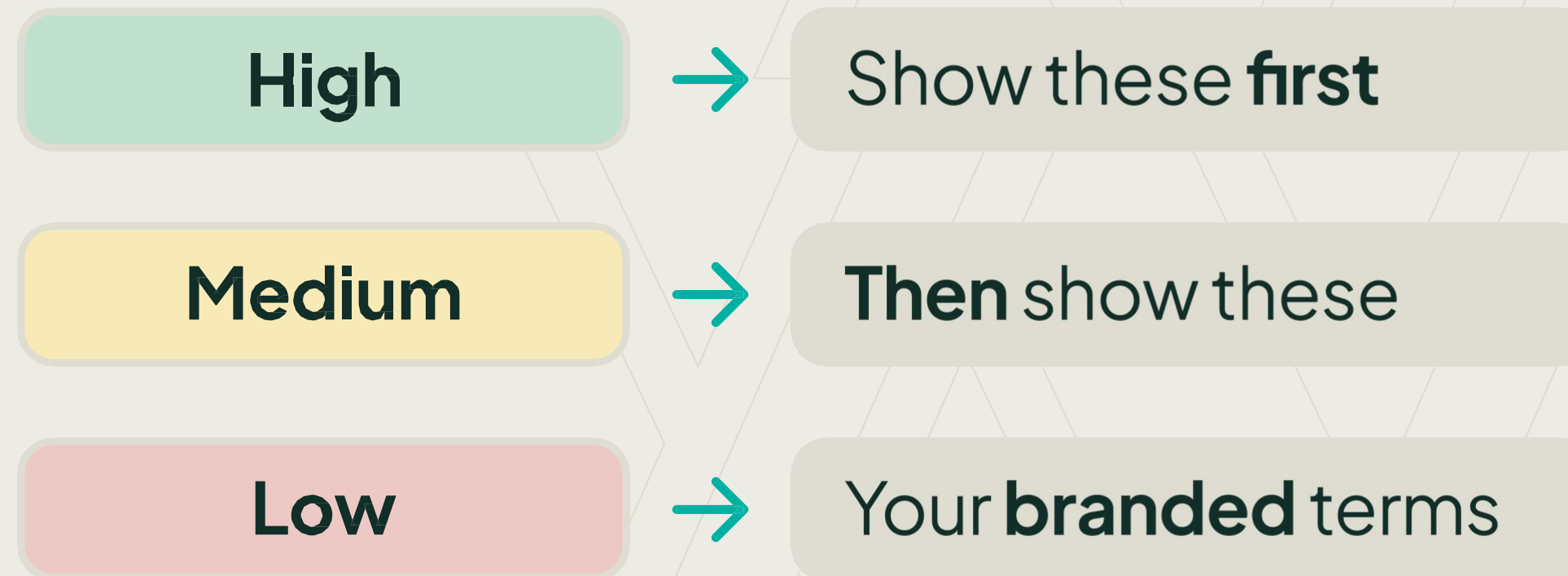
Three Options

1. Bestsellers

High → Show bestsellers first

Medium → Show everything else second

2. Seasonality

High → Summer

High → Winter

3. Custom

Category-based

- Luggage vs wallets

On Sale vs Regular Priced

Price Comparison

Only split campaigns if you:

- Change ROAS targets
- Use the priority setting
- Need control

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3. Defining incrementality of Google Ads

Verify that you're getting net new customers from Google Ads.

Simple to do. Many skip it.

"I don't care how P-Max does it, as long as it drives <u>profitable sales</u> I'm happy"

Are you though?

Are you though?

High vs low margin products?
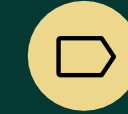
Are you though?
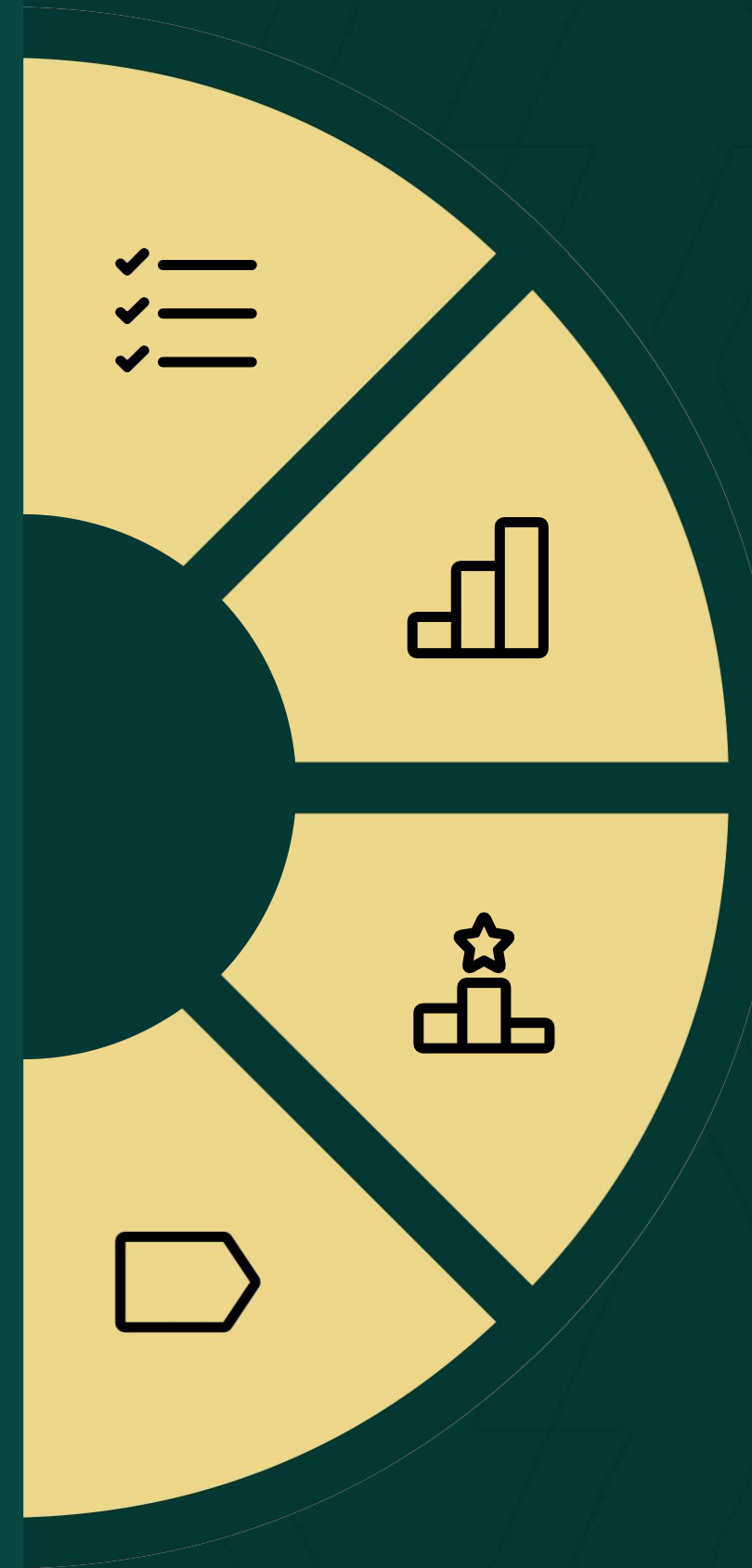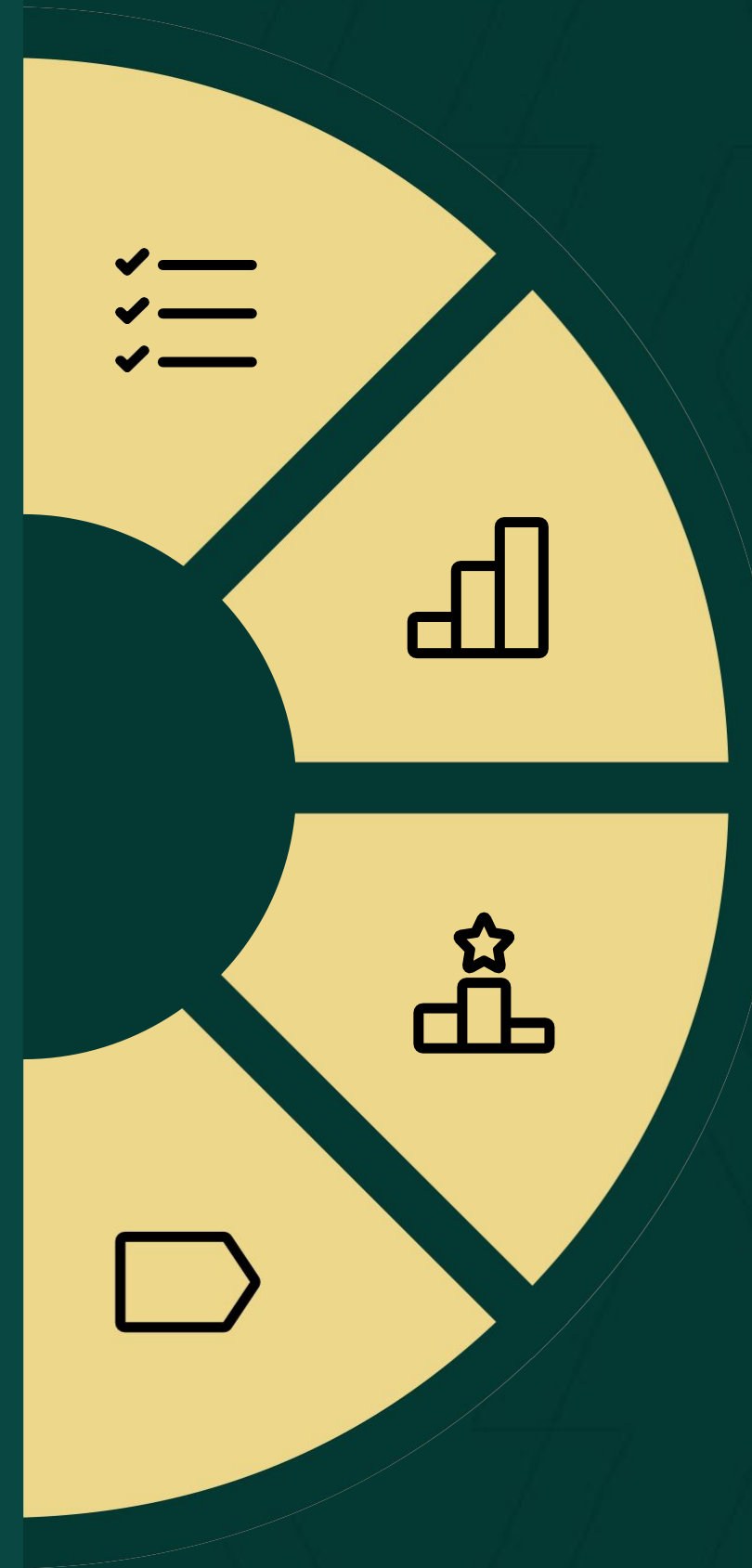
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High vs low margin products?

New or existing customers?

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Are you though?

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High vs low margin products?

New or existing customers?

High or low lifetime value?

19

Are you <u>though</u>?

High vs low margin products?

New or existing customers?

High or low lifetime value?

Would the sale have happened anyways?

Are you though?

Just because a sale is above a certain ROAS it doesn't mean it's profitable
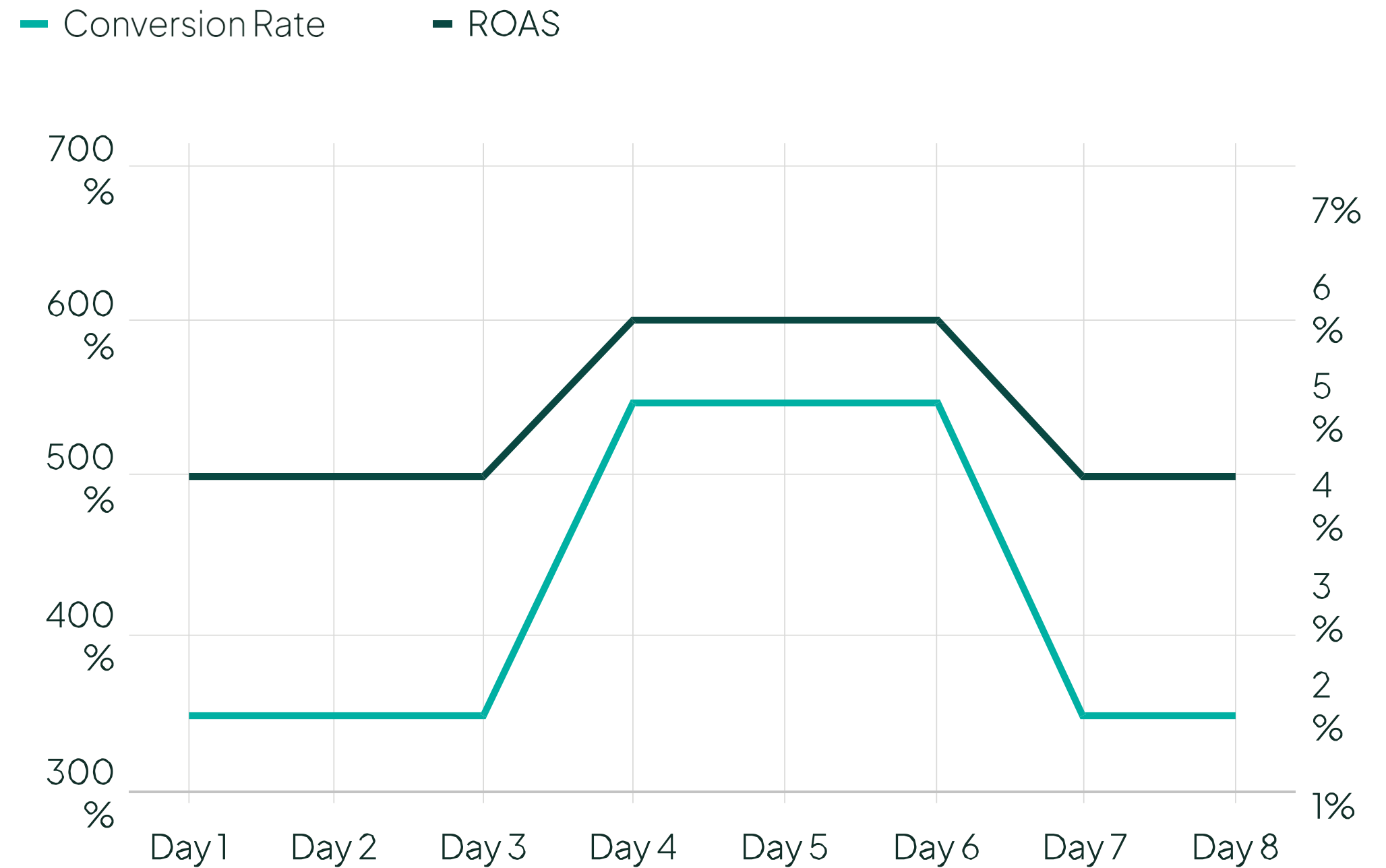
High vs low margin products?

New or existing customers?

High or low lifetime value?

Would the sale have happened anyways?

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"I don't care how P-Max does it, as long as it drives <u>profitable sales</u> I'm happy"

4. Managing bids during sale periods

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Sale period = **everything converts better**

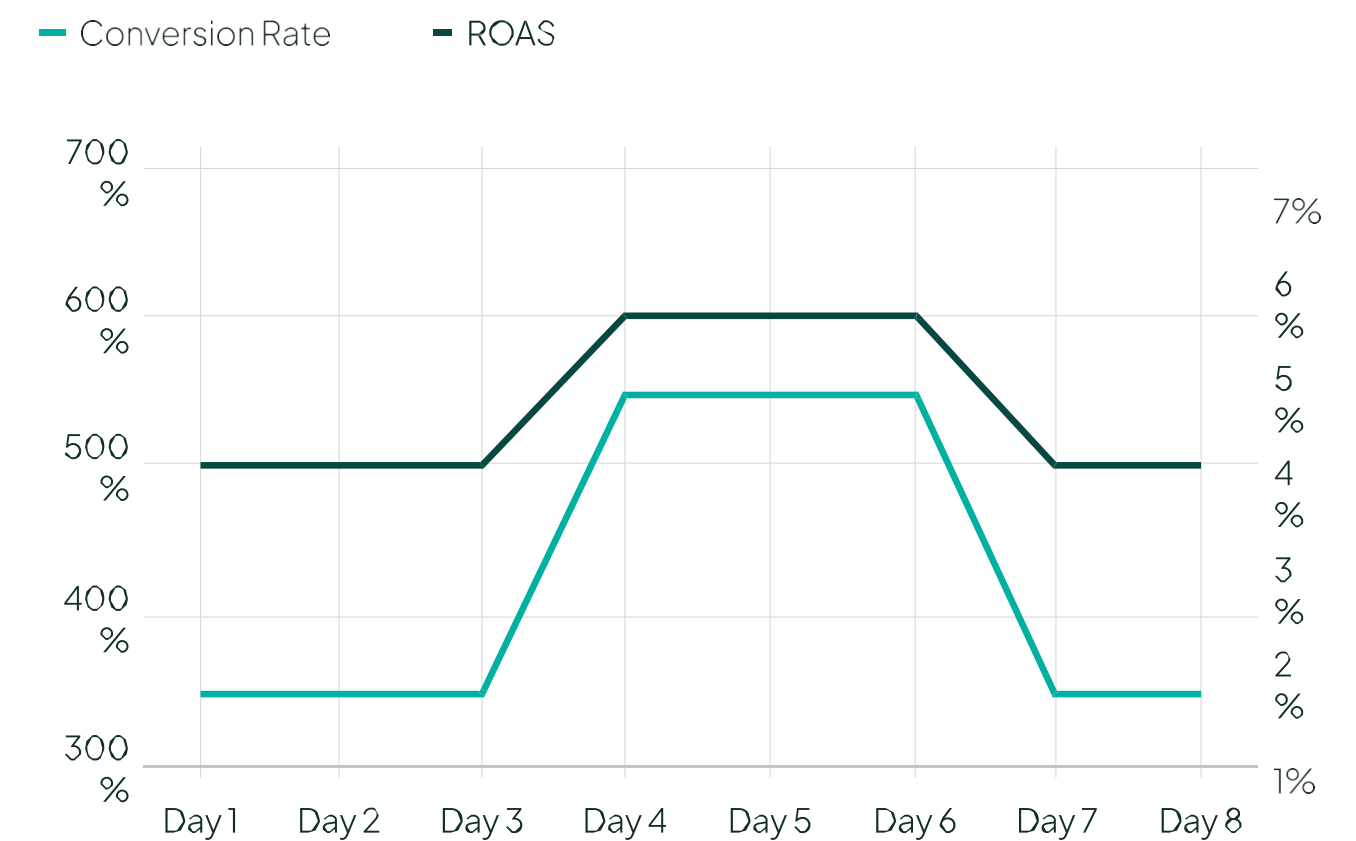## Conversion Rate, Bids and ROAS

— Conversion Rate   — ROAS

Seasonal Bid Adjustment

How they work
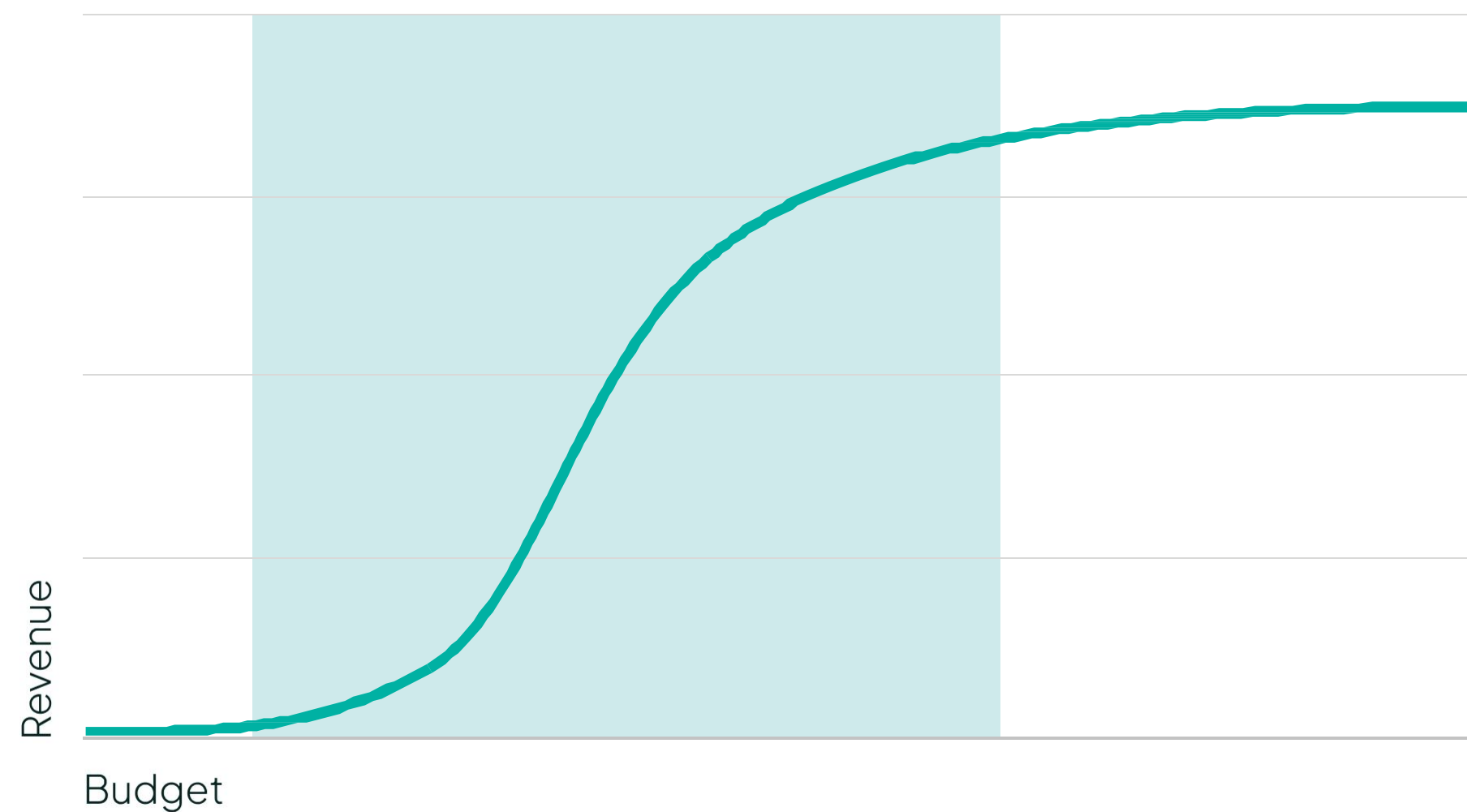
- Tell Smart Bidding to bid higher temporarily
- Smart Bidding is reactive, so we need to help

Conversion Rate, Bids and ROAS

— Conversion Rate — ROAS

Shopping Efficiency Curve

— Bidding Bandwidth   — Overbidding

Revenue

Budget

5. Blended ROAS and Meta Ads

What's your optimal ROAS target?

The Optimal ROAS target

- ✓
- ✓
- ✓

Blended ROAS	Meta ROAS	Google ROAS	Growth
16%	250%	350%	40%
19%	250%	250%	80%
29%	250%	150%	100%
11%	250%	500%	10%

The Optimal ROAS target

Different targets for:

- Search / Shopping
- Short tail vs long tail keywords
- Hero vs Add-on products

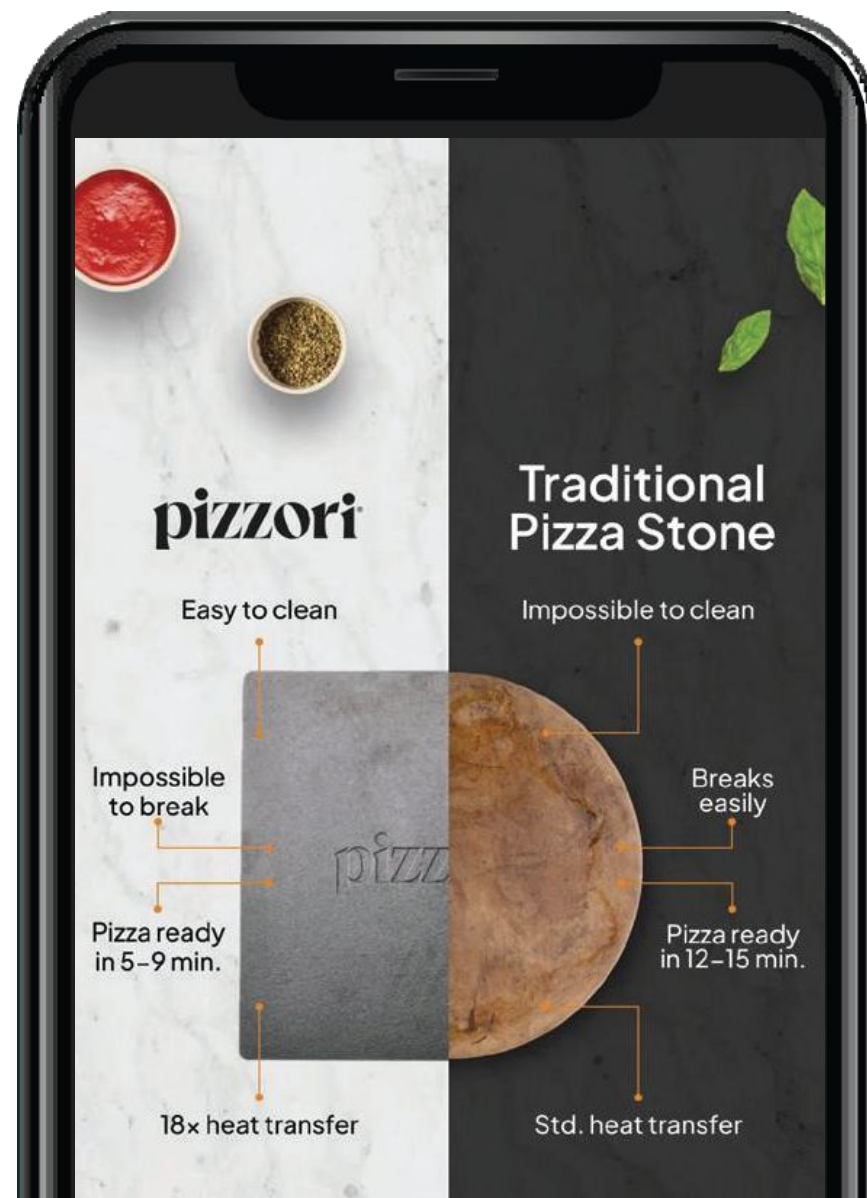| Blended ROAS	Meta ROAS	Google ROAS	Growth
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19%	250%	250%	80%
29%	250%	150%	100%
14%	250%	500%	10%

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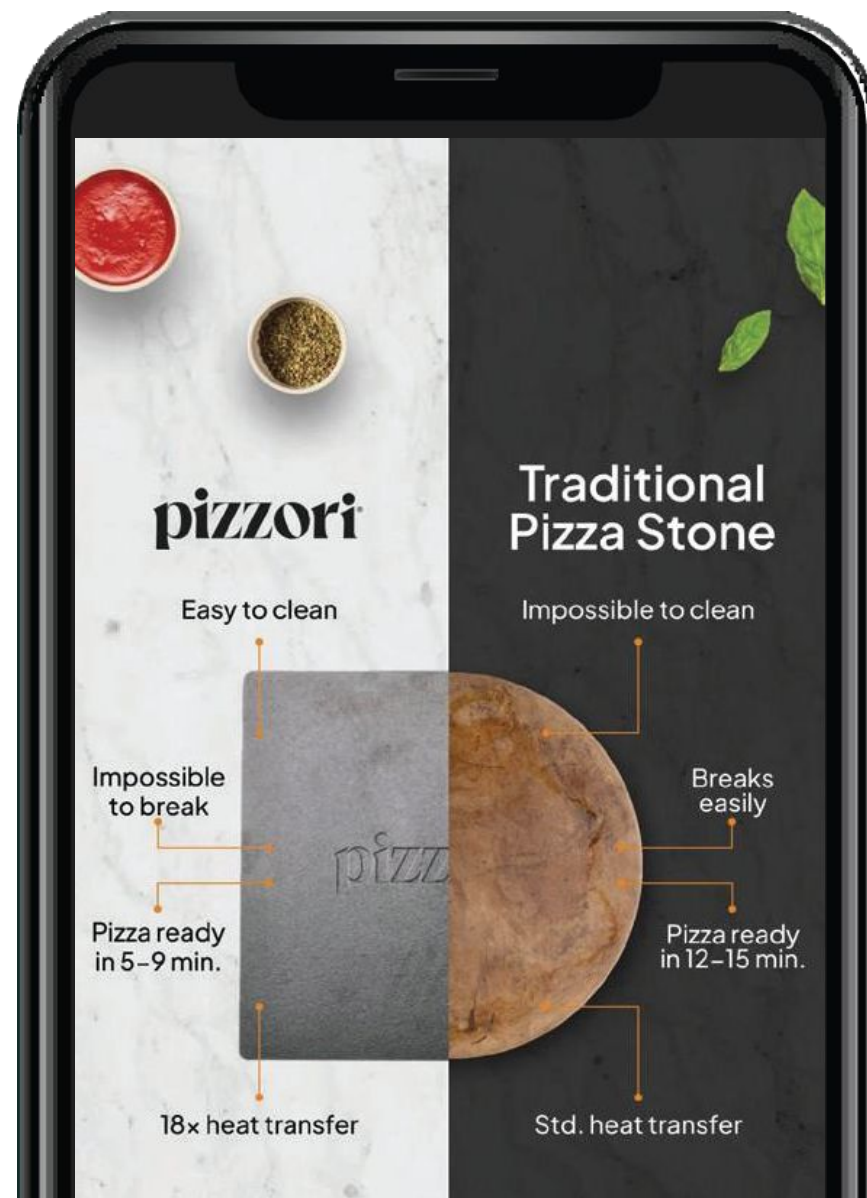# 6. Landing Page Testing

Your Meta Ads funnel
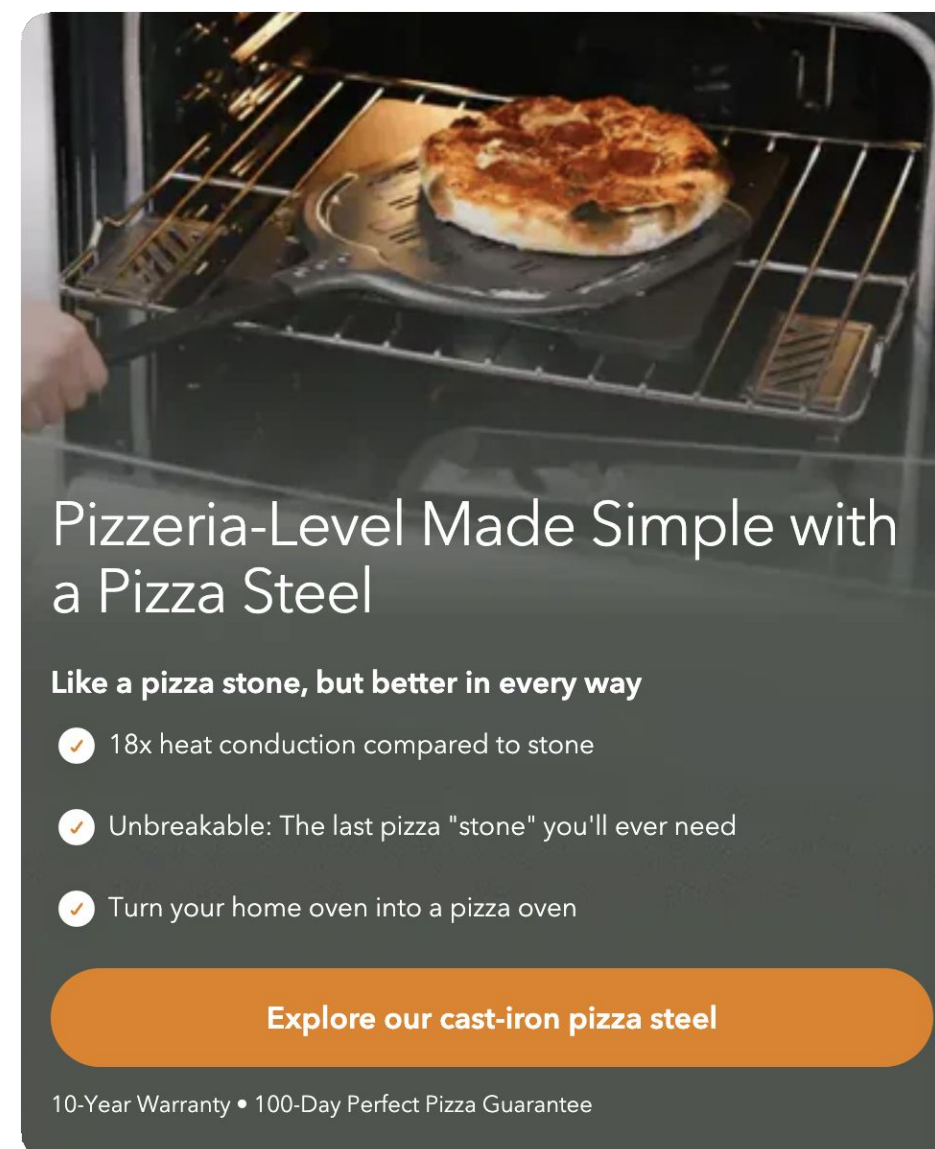
Shown rich ad
and comments for social proof

Your Meta Ads funnel

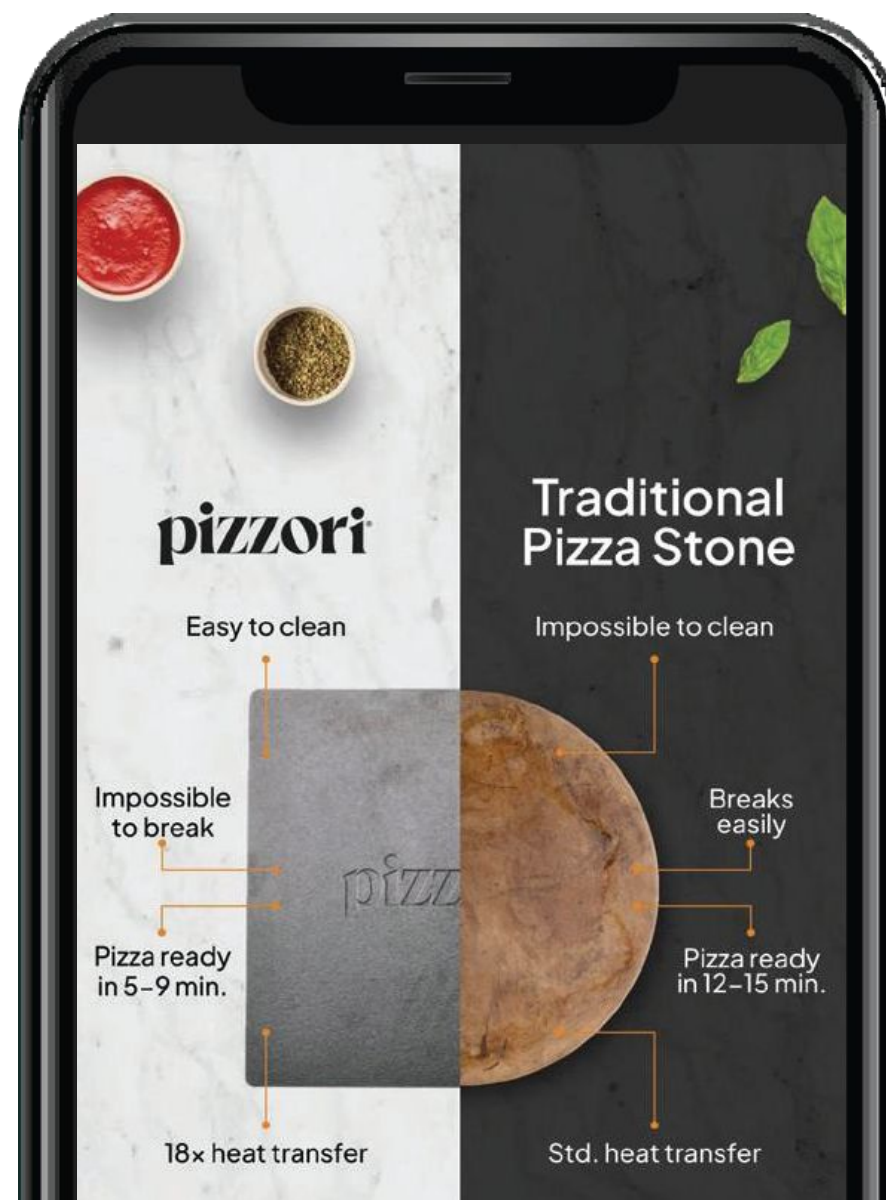**Shown rich ad**
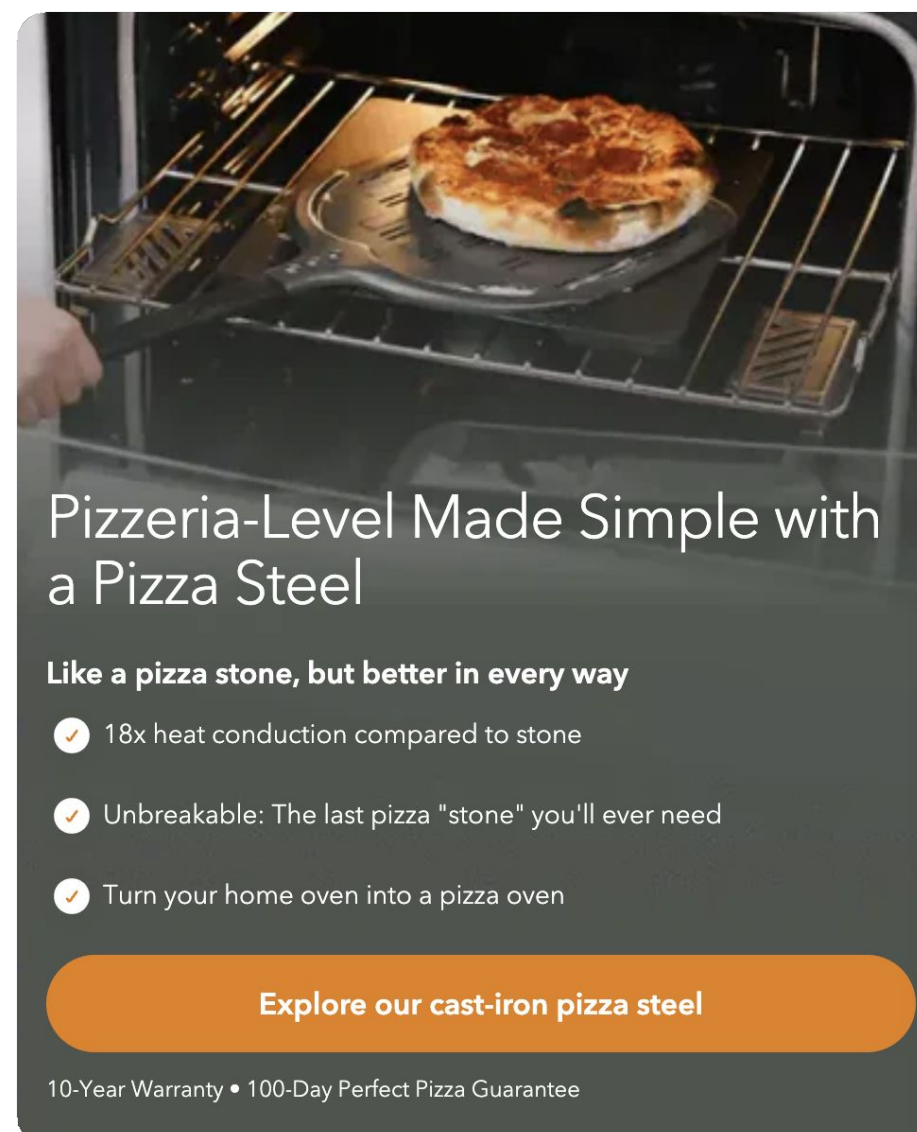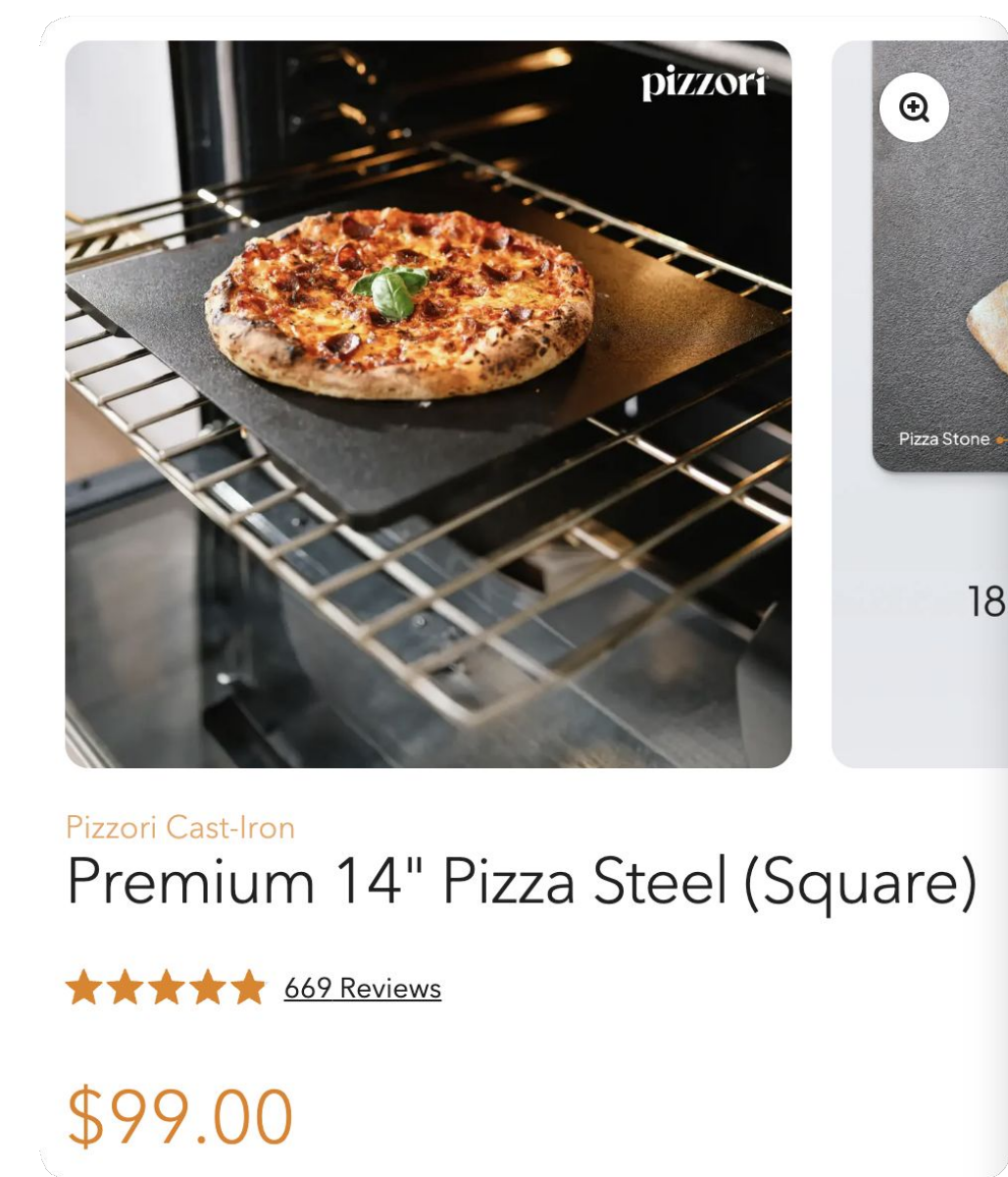and comments for social proof

Landing Page
To educate and sell

Product page
Good offer. Sense of urgency.

Funnel on Google

Search for product

robot dammsugare

Funnel on Google

Search for product

Shown tiny
image w. price

robot dammsugare

Sponsrad

REA	REA	REA	REA		REA	REA	REA
Roborock Qrevo MaxV...	Neatsvor X650 Pro...	Dreame D10 Plus Gen2...	Dreame D10 Plus...	Roomba Combo 10 M...	Dreame L10s Ultra Gen 2...	Poolrobot Zodiac...	Philips HomeRun...
9 990 kr 12 9...	**5 192 kr**	**2 990 kr** 4 099	**2 990 kr** 4 490	**18 499 kr**	**6 890 kr** 9 990	**21 245 kr**	**2 000 kr** 3 776
Webhallen	Neatsvor Sv...	+59 kr frakt	Kjell & Comp...	iRobot.se	Elgiganten S...	Oceanum.se	Amazon.se
Fri frakt	Fri frakt	Power.se	Fri frakt	Fri frakt	Fri frakt	Fri frakt	Fri frakt
★★★★★ (303)		+59 kr frakt	★★★★★ (158)	★★★★ (188)	★★★★★ (1k+)		
Av 56K	Av Klarna	Av WakeupData	Av Producthero	Av Klarna	Av Klarna	Av Google	Av Kelkoo

Funnel on Google

Search for product

Shown tiny
image w. price

Product Page

No wonder you have
a tough time…

Try Custom Landing Pages:

🙃

Upside down
Show the product first.
Buy box at bottom.

Try Custom Landing Pages:

🙃

Upside down
Show the product first.
Buy box at bottom.

✅

Listicle
5 reasons why

📢

Advertorial
Review / Explainer

7. Focus on Profits
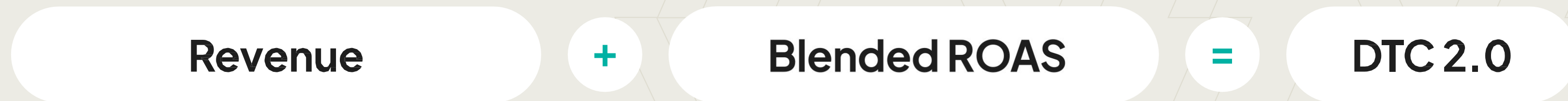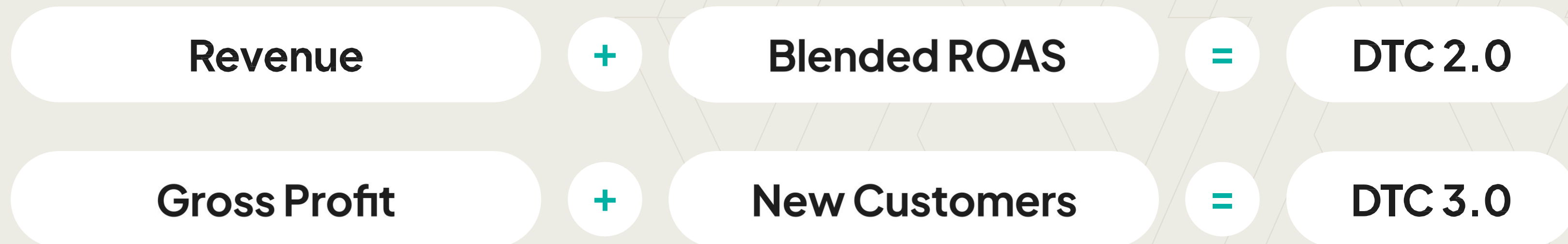
Revenue + **Blended ROAS** = **DTC 2.0**

7. Focus on Profits

Revenue	**+**	**Blended ROAS**	**= DTC 2.0**
Gross Profit	**+**	**New Customers**	**= DTC 3.0**

8. Year-over-year product analysis

9. <u>Marginal ROAS</u> on the last dollar spent

Going from $30k to $40k only had a 148% ROAS.

Worth it?

Revenue	Cost	ROAS	Marginal ROAS
$10,000	$3,000	333%	333%
$20,000	$6,030	332%	330%
$30,000	$9,648	311%	276%
$40,000	$16,402	244%	148%
$50,000	$29,523	169%	76%

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9. Marginal ROAS on the last dollar spent

Going from $30k to $40k only had a 148% ROAS.

Worth it?

Maybe...

No more fixed costs, so your math changes

Revenue	Cost	ROAS	Marginal ROAS
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$50,000	$29,523	169%	76%

Need help with Google Ads?
Is your situation complex?

Then we're the agency for you.

Work directly with a dedicated senior specialist who:

- ✓ manages 1–3 other advertisers
- ✓ works proactively on your accounts
- ✓ provide sparring on strategy

Email me at **andrew@savvyrevenue.com** for a chat

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SACK it® "Huge high five from us!"

TEMA SHOP

avXperten® "They have a can-do-attitude"

LAKRIDS BY BÜLOW "We highly recommend savvyrevenue"

ABBOTT LYON "Savvy feels like an extension of the team"

TØJ|eksperten "We

KONGELIG HOFLEVERANDØR
Illums Bolighus "We trust that we are in good hands"

ARK BOK HANDE

EVENTYRSPORT "Savvy is a proactive sparring partner"

CATERING DANMARK "Savvy gives us co

ApoPro.dk "Savvy helps us reach our goals"

G

RITO "Savvy is a valuable partner