

How do I optimise my Google Ads spend?

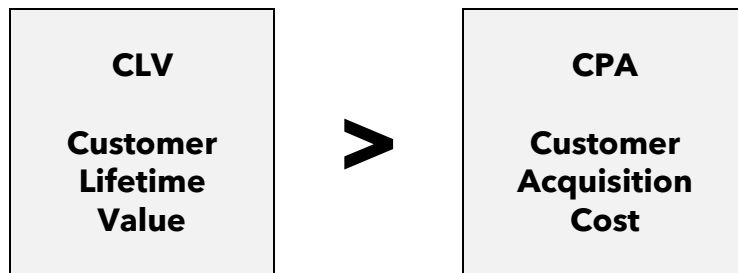
omnicommerce

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Introduction

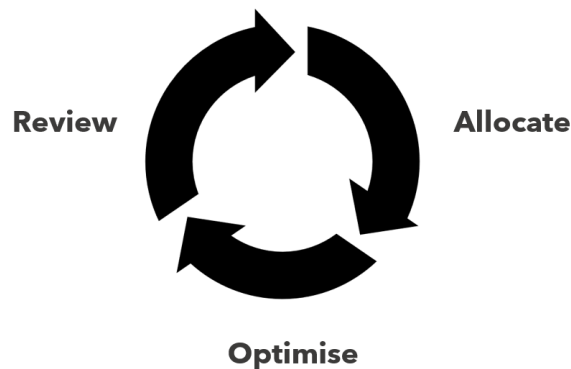
With companies spending increasing amounts of their marketing budget on digital channels, and with Google Ads making up a large proportion of this spend, it is vital that you are investing this marketing money efficiently. We have chosen the word investment with thought as often, through the day to day complexities of running a business, the purpose of marketing spend gets lost; you are investing money to acquire (and retain) customers, with the aim that the lifetime value created from their spend exceeds the investment.



For nearly all business the amount they have to invest in marketing is constrained and so their aim is to invest this marketing money in the most optimal way. Ultimately this will depend on several factors:

- How do I allocate my marketing spend across the different types of customer I can acquire to maximise the lifetime value it creates?
- When deploying this how do I ensure the acquisition cost per customer is as efficient it could be?
- What insight can I gain from the actions above to adjust these activities?

We call the above the **Omnicommerce Execution Cycle** and it is the foundation of our approach to optimising the value a business can create. This white paper takes you through our approach and details the tools we have built to help your own execution.



What is Customer Lifetime Value?

The definition of customer lifetime value (CLV) is the total lifetime financial benefit you receive from a customer you acquire. CLV is comprised of the income you will receive from a customer over their life less the direct costs needed to generate that income.

The income you generate will depend on your business model but is likely to be one of the following:

- Transactional model = lifetime purchases X average purchase price
- Monthly subscription model = monthly price X monthly tenure
- Annual subscription model = annual price X annual tenure

The direct costs in a physical business are the product you sell and the shipping costs and in a virtual business e.g. a SaaS product then this would be the variable cost of providing that service. In both cases there are likely to be transaction fees,

The Importance of Customer Lifetime Value

It is essential that your business has the analytical capability to calculate customer lifetime value and on a regular basis. You will only be able to allocate marketing costs to optimise lifetime profit less marketing costs if you have this visibility. You are also trying to find clusters of customers that have a similar CLV which will allow you to allocate your marketing spend more appropriately and set different targets for their acquisition cost. These clusters are called cohorts and typical cohorts that would be examined are:

- The profile of the customer (including demographics)
- The product they purchase
- The marketing channel the customer was acquired by
- The time of year they are acquired
- Their first purchase price
- The time over the company's life they are acquired
- The customer's behaviour once acquired
- The customer's location

We have developed the Omnocommerce Customer Insight Suite to answer many of these questions. Through decades of research we have pulled together the most comprehensive set of analyses available and by utilising the insight suite you are able to identify the cohorts you should be focussing on almost immediately.

Once you have identified a manageable number of cohorts the next step is to decide how you will allocate your marketing spend.

Allocation Strategy

Most businesses have a limited marketing budget and the first step towards optimising the return from this spend is to allocate the spend between the different marketing channels available. This will require an examination of the average acquisition costs (CPA) of each of the channels as it is likely that these will vary.

The CPA is the total marketing spend to acquire a cohort of customers divided by the number of customers acquired

Once you have allocated the appropriate amount of this spend to paid search, the next step will be to decide how to allocate this within your account. Your aim is to have the optimal mix of investment to achieve the maximum amount of lifetime value from your spend. The biggest challenge is taking into account all of the factors that can impact CPA and these include:

- Time: hour, day, month
- Device: desktop, mobile, tablet
- Location
- Demographics and interests
- Type: brand, competitor and generic
- Channel: search, shopping, display, retargeting
- Role: top of funnel, conversion, offline support
- Ad format

There are a couple of methods that you can use to help narrow the complexity of this list:

- By setting your attribution model to share attribution across multiple points in the customer journey you, in theory, can worry less about the role of the investment.
- By structuring your investment into campaign that match your cohorts this will enable you to isolate spend and allow you to automate bidding to hit a target CPA for that cohort

Google allows you to create 10,000 campaigns so theoretically your ability to use these to optimise allocation is only limited to your ability to measure and enact on the results.

One thing that will help this is creating a syntax for your campaign names. In the Omniconmerce Google Ads Insight Suite we automatically look for the word "brand" to split campaigns into the highest level of hierarchy. We then strip out the first part of a campaign name before a pipe (|), a colon (:) or a dash (-) therefore enabling something that Google Ads doesn't facilitate which is a hierarchy above campaign. Ideally a campaign syntax should look something like:

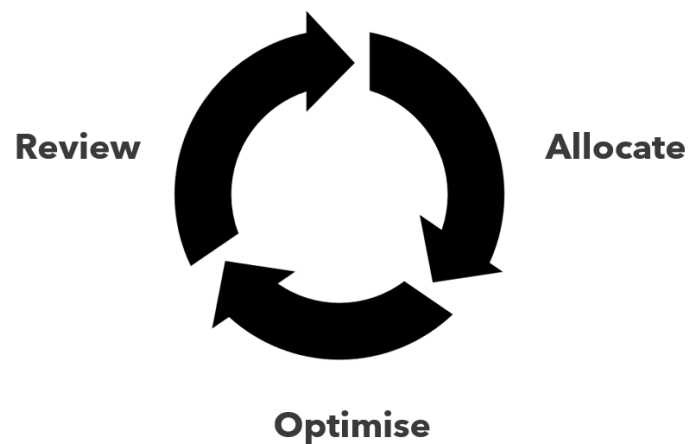
Generic|Bedding|Bed_Sheets

Shopping:Duvet Covers:King

Once you have allocated your spend into campaign budgets and set campaign targets you should also be considering inclusions, exclusions or bid adjustment based upon the list above. One of the most common I come across is time of day, with the quality of

customers coming between midnight and 6am being so poor that its worth not spending between those times. It could also include more obscure targeting, such as specific interest groups, and I have even come across examples in the US where the CPAs of different geographic territories varied widely.

The allocation of spend in this way is a continuous cycle. The CPAs achieved by the cohorts you decide upon may shift due to changes in your efficiency or external factors. Equally likely is a shift in the cohorts of customers you wish to acquire and the CPA you can afford to spend to acquire them. Hence why we recommend you follow the **Omnicommerce Execution Cycle**:



Improving Efficiency

Once you have decided on an initial allocation strategy the first thing to consider when trying to be as efficient as possible is your bidding strategy. There are specialist bid management tools on the market however over time Google has improved the automation that you get out of the box in Google Ads. There are now many bidding strategies available to you (see bid strategies in Appendix) and some give permission for Google to automate the bidding for you. There will always be a level of trust in giving this permission but there are a number of upsides:

- Google is often using cues to make the bid adjustments that are not visible to you
- Automation enables them to make changes to bids more frequently than a human
- Automation can cope with significant volumes of keywords / products

I tend to favour Target CPA as you should know the maximum CPA you can invest for each cohort as discussed above, and this frees you up to work on other efficiency activities.

Once you have allocated your campaign budgets and sorted your bid strategies, bids, and bid adjustments, the focus would now be on making keywords themselves as efficient as possible.

In terms of the ultimate outcome you and Google are perfectly aligned as neither side wants to serve up irrelevant ads.

- From your perspective you run the risk of low intent traffic clicking on your ad
- From Google's perspective they run the risk that people will no longer use their search engine.

Fortunately, they came up with a way of incentivising this called quality score. Quality score is at the core of how paid search works and, although there are some nuances, it works as follows:

It determines the position
that your ad is shown in

$$\begin{aligned} &\text{ADRANK} \\ &= \\ &\text{MAX CPC} \\ &\times \\ &\text{QUALITY SCORE} \end{aligned}$$

It determines how much
you pay

$$\begin{aligned} &\text{CPC PAID} \\ &= \\ &(\text{ADRANK OF NEXT BIDDER} \\ &\div \\ &\text{YOUR QUALITY SCORE}) \\ &+ \\ &1p \end{aligned}$$

As a result, it's completely feasible that an advertiser pays more for a lower position:

	Max. CPC Bid	Quality Score	AD RANK	CPC Paid
Advertiser 1	2	10	20	1.61
Advertiser 2	4	4	16	3.01
Advertiser 3	6	2	12	4.01
Advertiser 4	8	1	8	?

There are three component parts of quality score and Google gives you a rating against these of either above average, average or below average:

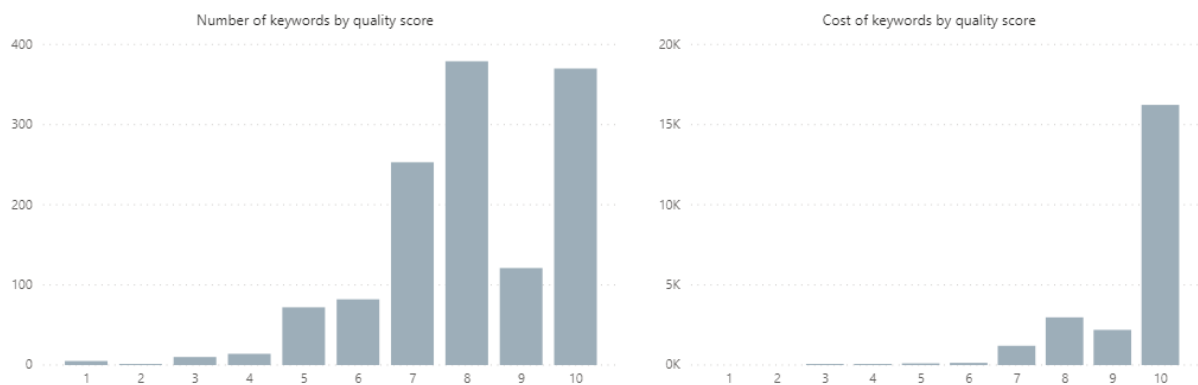
- Ad Relevance
- Expected Click Through Rate
- Landing Page Experience

Our founder, Steve Robinson, was the first globally to discover how Google calculates the quality score based upon these factors. There are 27 combinations of factor and rating, and these each map onto a quality score. This produces the following grid which is useful when focusing efforts on improving the quality score.

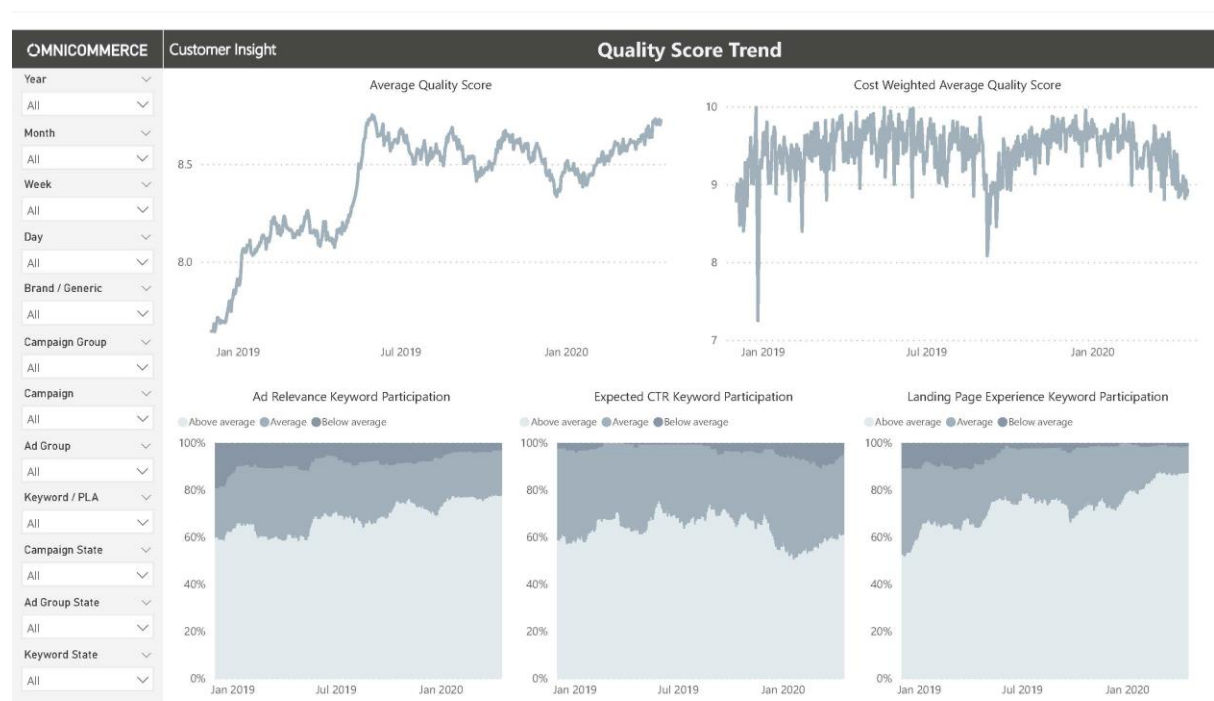
Quality Score	Landing Page Experience	Expected CTR	Ad Relevance
1	Below Average	Below Average	Below Average
2	Below Average	Below Average	Average
3	Below Average	Below Average	Above Average
3	Below Average	Average	Below Average
4	Below Average	Average	Average
5	Below Average	Average	Above Average
5	Below Average	Above Average	Below Average
6	Below Average	Above Average	Average
7	Below Average	Above Average	Above Average
3	Average	Below Average	Below Average
4	Average	Below Average	Average
5	Average	Below Average	Above Average
5	Average	Average	Below Average
6	Average	Average	Average
6	Average	Average	Above Average
7	Average	Above Average	Below Average
7	Average	Above Average	Average
8	Average	Above Average	Above Average
5	Above Average	Below Average	Below Average
6	Above Average	Below Average	Average
6	Above Average	Below Average	Above Average
7	Above Average	Average	Below Average
7	Above Average	Average	Average
8	Above Average	Average	Above Average
8	Above Average	Above Average	Below Average
9	Above Average	Above Average	Average
10	Above Average	Above Average	Above Average

Remember, the difference between a quality score of 10 and one of 5 is a reduction in CPC paid of 50%

Our Google Ads Insight Suite contains the most advanced analyses of quality score available. We enable you to examine your profile:



Also we let you track the trend of your quality score both in terms of an arithmetic average and one that has been weighted by cost:



In the example above you can see both these averages but you can also see the trend of the three component parts of quality score as well as the participation of the ratings against these and how they vary over time.

We even show you the grid above but with your performance matched on to this and allow you to click on each of the scores to show the list of keywords that have that score to help improve the score of these:

OMNICOMMERCE	Customer Insight											Quality Score Grid	
Year	Quality Score	Ad Relevance	Expected CTR	Landing Page Experience	Count	Cost	CPC	CTR	Conv %	Conv	CPConv	Keyword / Product	Cost
All	1	Below average	Below average	Below average	5	0				0.0		"400 Thread Fitted Sheet"	0
Month	2	Average	Below average	Below average	1	0		0.0%		0.0		"Black Luxury Bed Sheets"	0
All	3	Below average	Average	Below average	6	3	0.63	2.7%	0.0%	0.0		"Double 400 Thread Count Duvet Cover"	0
Week	3	Below average	Below average	Average	4	0		0.0%		0.0		[1000 thread duvet cover]	3
All	4	Average	Average	Below average	10	2	0.52	1.5%	0.0%	0.0		[400 Thread Fitted Sheet]	0
Day	4	Average	Below average	Average	4	0		0.0%		0.0		[Black Luxury Bed Sheets]	0
All	5	Above average	Average	Below average	13	75	0.42	0.6%	0.0%	0.0		[Double 400 Thread Count Duvet Cover]	0
Brand / Generic	5	Above average	Below average	Average	19	10	0.63	0.6%	0.0%	0.0		[kids pillow mist]	0
All	5	Below average	Above average	Below average	12	1	0.36	0.6%	0.0%	0.0		[kids pillow spray]	1
Campaign Group	5	Below average	Average	Average	29	12	0.99	0.5%	0.0%	0.0		+400 +Thread +Fitted +Sheet	62
All	5	Below average	Below average	Above average	6	5	0.76	0.1%	0.0%	0.0		+Black +Luxury +Bed +Sheets	0
Campaign	6	Average	Above average	Below average	13	20	0.69	1.0%	0.0%	0.0		+Double +400 +Thread +Count +Duvet +Cover	5
All	6	Average	Average	Average	27	67	0.78	0.4%	1.2%	1.0	66.93	+kids +pillow +mist	3
Ad Group	6	Average	Below average	Above average	8	15	0.94	0.2%	6.3%	1.0	15.08	+kids +pillow +spray	10
All	6	Below average	Above average	Average	27	5	0.52	0.1%	10.0%	1.0	5.18	Enso aroma diffuser	0
Campaign	6	Below average	Average	Above average	18	28	0.90	1.2%	3.2%	1.0	27.76	Total	84
All	7	Above average	Above average	Below average	15	84	0.71	1.7%	1.7%	2.0	42.04		
Ad Group	7	Above average	Average	Average	104	362	0.84	0.8%	1.4%	6.0	60.37		
All	7	Below average	Below average	Above average	70	27	0.74	1.2%	2.8%	1.0	26.52		
Keyword / PLA	7	Average	Above average	Average	53	583	0.92	0.9%	2.4%	15.0	38.85		
All	7	Average	Average	Above average	58	147	0.89	0.1%	2.4%	4.0	36.64		
Ad Group	8	Above average	Above average	Average	97	812	0.84	1.1%	2.8%	27.0	30.07		
All	8	Above average	Average	Above average	288	2,103	0.92	0.7%	2.6%	59.0	35.65		
Campaign State	8	Below average	Above average	Above average	21	59	0.58	0.4%	3.9%	4.0	14.83		
All	9	Average	Above average	Above average	121	2,193	0.52	6.6%	7.7%	328.0	6.68		
Ad Group State	10	Above average	Above average	Above average	370	16,231	0.95	3.5%	2.6%	442.0	36.72		
All	Total				714	22,842	0.86	1.9%	3.4%	892.0	25.61		

In this example I have selected keywords that have Ad Relevance of *Above Average*, Expected Clickthrough Rate of *Above Average* and Landing Page Experience of *Below Average*. All the keywords on the right have this profile and I would focus on those with the highest spend to improve their quality score by adjusting the landing page. This would increase their quality score from 7 to 10 and would result in a saving of 30%.

One way of increasing your quality score is by having an ad group that only features one keyword. That way you can ensure that the advert matches exactly. You should also try to point to a landing page that has as close a match as possible and prioritise by focusing on your biggest opportunity terms. Also make sure that you use the ad extensions available and the headline 3 and description 2 as Google will increase your grading for doing so. Also ensure your website is fast to load.

Ad relevance and landing page experience are normally easier to fix as these are completely within your control. Harder to impact is the expected click through rate as this will depend on what other ads show, which is obviously out of your control. What will help this (and the other two factors) is keyword mining. Exact match keywords tend to perform better than phrase and broad match and you should be looking at opportunities to add additional keywords as often as you can. Also adding in negatives will reduce the times you are shown incorrectly and therefore improve your expected click through rate. You should also test as aggressive language as possible.

Finally, to help you improve your Ad Relevance we created a report that examines the ads that are being served for each of the individual keywords, and looks to see if the keywords are contained in those ads. It produces a % hit rate for the amount of times keyword appears in the title and description:

Customer Insight

Activity - Keyword In Ad

Keyword With Match	Ad Group	Ads	Keyword In Description	Keyword In Headline	Quality Score	Ad Relevance	Costs
[100 cotton white bedding]	100 Cotton Bed Linen MM	5	0%	0%	6.00	Below average	1
[organic bed sheets]	100 Cotton Bed Linen MM	5	0%	0%	5.00	Below average	0
[1000 thread count egyptian cotton duvet cover]	1000 thread count egyptian cotton duvet cover	2	0%	0%	8.00	Below average	3
+1000 +thread +count +egyptian +cotton +duvet +cover	1000 thread count egyptian cotton duvet cover	2	0%	0%	8.00	Below average	2
1000 thread count egyptian cotton duvet cover	1000 thread count egyptian cotton duvet cover	2	0%	0%	8.00	Below average	32
"1000 Thread Count Fitted Sheet King"	1000 Thread Count Fitted Sheet King MM	4	0%	0%	8.91	Below average	0
[1000 Thread Count Fitted Sheet King]	1000 Thread Count Fitted Sheet King MM	4	0%	0%	8.91	Below average	9
+1000 +Thread +Count +Fitted +Sheet +King	1000 Thread Count Fitted Sheet King MM	4	0%	0%	8.91	Below average	6
"Egyptian Cotton 400 Thread Count Fitted Sheets"	Egyptian Cotton Fitted Sheets 400 Thread Count MM	3	0%	0%	5.00	Below average	0
"Egyptian Cotton Fitted Sheets 400 Thread Count"	Egyptian Cotton Fitted Sheets 400 Thread Count MM	3	0%	0%	8.00	Below average	0
[Egyptian Cotton 400 Thread Count Fitted Sheets]	Egyptian Cotton Fitted Sheets 400 Thread Count MM	3	0%	0%	5.00	Below average	0
+Egyptian +Cotton +Fitted +Sheets +400 +Thread +Count	Egyptian Cotton Fitted Sheets 400 Thread Count MM	3	0%	0%	8.00	Below average	1
+Egyptian +Cotton 400 +Thread +Count +Fitted +Sheets	Egyptian Cotton Fitted Sheets 400 Thread Count MM	3	0%	0%	5.00	Below average	2
[400 count sheets]	High Thread Count Sheets MM	4	0%	0%	6.19	Below average	29
"King Cotton Bed Sheet"	King Cotton Bed Sheet MM	2	50%	100%	5.17	Below average	0
+King +Cotton +Bed +Sheet	King Cotton Bed Sheet MM	2	50%	100%	5.17	Below average	38
[1000 thread count cotton duvet cover]	1000 thread count cotton duvet cover	1	0%	0%	9.00	Average	0
+1000 +thread +count +cotton +duvet +cover	1000 thread count cotton duvet cover	1	0%	0%	9.00	Average	0
1000 thread count cotton duvet cover	1000 thread count cotton duvet cover	1	0%	0%	9.00	Average	3
[1000 thread count duvet cover super king]	1000 thread count duvet cover super king	3	0%	0%	9.00	Average	1
+1000 +thread +count +duvet +cover +super +king	1000 thread count duvet cover super king	3	0%	0%	9.00	Average	0

Ad Group	Ad ID	Headline 1	Headline 2	Description
1000 Thread Count Fitted Sheet King MM	188630295067	Bed & Bath Emporium	1000 Thread Count King Sheets	A Quality Selection of Luxurious 1000 Thread Count Bed Sheets. Fast UK Delivery!
1000 Thread Count Fitted Sheet King MM	188630295070	Bed & Bath Emporium	1000 Thread Count King Sheets	A Quality Selection of Luxurious 1000 Thread Count Bed Sheets. From Just £40.00!
1000 Thread Count Fitted Sheet King MM	196986441566	1000 Thread Count King Sheets	High Quality Guaranteed	A Quality Selection of Luxurious 1000 Thread Count Bed Sheets. From Just £40.00!
1000 Thread Count Fitted Sheet King MM	235090025429	1000 Thread Count King Sheets	Price Reductions Online Now	A Quality Selection of Luxurious 1000 Thread Count Bed Sheets. From Just £40.00!

When we designed the Google Ads Insight Suite we built in 20 insight-led activities for you to optimise your efficiency and a selection of these feature in the next section.

Insight-Led Efficiency Activities

1. Pause or reduce bids on your worst performing keywords / products

If you have campaigns, ad groups or keywords that have a higher CPA than your target, then you should be either pausing these or reducing the bids for these, as there will invariably be a better use for this investment. This will also apply for keywords that have zero conversions as, after all, their CPA is infinity! You can also choose to remove the worst 10% of keywords although you must be mindful, as explained in the CLV section, that sometimes the CPA of these may still be generating a lifetime profit.

OMNICOMMERCE	Customer Insight	Activity - Above Target CPA				
Year	2020					
Month	All					
Week	All					
Day	All					
Brand / Generic	All					
Campaign Group	All					
Campaign	All					
Ad Group	All					
Keyword / PLA	All					
Campaign State	All					
Ad Group State	All					
Keyword State	All					

30.65

Average CPA

Target CPA

35.00

Keyword / Product	Cost TY	Conv TY	CPConv TY	Kill Conv Lose	Kill Cost Save
1000 thread count fitted sheet	1,689	39.0	43.31	39.0	1,689
1000 Thread Count Fitted Sheet DOUBLE White	1,073	20.0	53.64	20.0	1,073
1000 Thread Count Fitted Sheet SUPER KING White	939	10.0	93.92	10.0	939
1000 thread count sheets	713	14.0	50.96	14.0	713
bedding high thread count	642	17.0	37.78	17.0	642
Skandi Woodlands Duvet Set KING	474	4.0	118.48	4.0	474
SALE 1000 Thread Count Flat Sheet in Ice Grey or Platinum KING Ice Grey	328	2.0	163.90	2.0	328
[1000 Thread Count Duvet Cover]	157	4.0	39.27	4.0	157
Luxury Anti Allergy Mattress Protector KING	154	4.0	38.49	4.0	154
Niko Portable Aroma Diffuser in Black or White White	144	2.0	71.97	2.0	144
Luxury Anti Allergy Mattress Protector DOUBLE	117	2.0	58.72	2.0	117
Luxury Anti Allergy Pillow Protector HOUSEWIFE	102	2.0	51.21	2.0	102
Sound Sleep Anti-Snore Pillow Buy one pillow	89	2.0	44.33	2.0	89
+1000 +Thread +Count +Duvet +Cover	68	1.0	67.86	1.0	68
Anti-Allergy Mattress Topper DOUBLE	61	1.0	61.08	1.0	61
+600 +Thread +Bed +Sheet	56	1.0	55.64	1.0	56
Atlantic Roman Black Out Blind, Latte 61CM	54	1.0	54.31	1.0	54
1000 Thread Count Flat Sheet KING Ice Grey	45	1.0	44.75	1.0	45
+400 +Thread +King +Fitted +Sheet	45	1.0	44.64	1.0	45
+400 +Thread +Fitted +Sheet	44	1.0	43.89	1.0	44
+600 +Thread +Deep +Fitted +Sheets	40	1.0	39.97	1.0	40
Total	7,034	130.0	54.11	130.0	7,034

OMNICOMMERCE	Customer Insight	Activity - Zero Converters		
Year	2020			
Month	All			
Week	All			
Day	All			
Brand / Generic	All			
Campaign Group	All			
Campaign	All			
Ad Group	All			
Keyword / PLA	All			
Campaign State	All			
Ad Group State	All			
Keyword State	All			

Keyword / Product	Cost TY	Cost LY	Conv LY
Signature Duvet Set Checks Taupe SINGLE	249	45	0.0
600 Thread Count Fitted Sheet SUPER KING Ivory (Cream)	190	13	0.0
Signature Duvet Set Feathers Grey SINGLE	135	134	1.0
Atlantic Roman Black Out Blind, Natural 61CM	86	8	0.0
high thread count bed linen uk	63		
Content	46		
[600 Thread Fitted Sheet]	35	0	0.0
[1000 Thread Bed Sheet]	34	0	0.0
Primavera Organic Room Sprays in a choice of 15 fragrances Clean Air	33	1	0.0
+1000 +Thread +King +Sheets	32	0	0.0
"Luxury Bed Sheets"	32	0	0.0
Atlantic Roman Black Out Blind, Natural 91CM	29	0	0.0
+King +400 +Thread +Count +Duvet +Cover	27	22	0.0
+1000 +Thread +Deep +Fitted +Sheets	26	0	0.0
Anti-Allergy Mattress Topper KING	25	2	0.0
Pillow Spray Lavender & Frankincense 100ml	25	4	0.0
Atlantic Roman Black Out Blind, Grey 91CM	25	0	0.0
Dream Spray 'Space', Pillow Spray for Children 100ml	24	12	1.0
Rays of Calm for Kids CD	24		
Black Out Roller Blind Eclipse, Silver 61CM	23	15	0.0
Black Out Roller Blind Eclipse, Silver 91CM	23		
1000 thread count pillow case	22		
1000 thread count silk sheets	22		
600 Thread Count Fitted Sheet DOUBLE Ivory (Cream)	22	0	0.0
Adjustable Memory Foam Support Pillow, Classic	21	32	0.0
[400 count sheets]	20	0	0.0
+400 +Thread +Double +Fitted +Sheet	19	0	0.0
+600 +Thread +Fitted +Sheet	19	19	0.0
[1000 Thread Count Super King Duvet Cover]	18	4	0.0
[600 Thread Count Deep Fitted Sheets]	18	2	0.0
Total	2,337	1,430	31.0

2. Increase bids on low CPA keyword / products with low impressions share

If you have saved money by pausing some keywords, then you should be looking for some low CPA keywords to invest this money into. The characteristics of these keywords will be low CPA and low impression share. By increasing the bids in these you will worsen their CPA but, as they are strong performers, they are still likely to bring your blended average down even if their CPA increases slightly.

OMNICOMMERCE		Customer Insight	Activity - Impression Opportunities							
Year	▼	<div>26.91</div> <div>Average CPA</div>	<div>Target CPA</div> <div>15.50</div>							
All	▼									
Month	▼									
All	▼									
Week	▼									
All	▼	Keyword / Product	Cost TY	Conv TY	CPConv TY	Clicks TY	Impression Share TY	Top Impression Share TY	Top Impression %	Abs Top Impression Share TY
Day	▼									
All	▼	[Bed And Bath Emporium]	265	246.0	1.08	2,138	99.4%	99.3%	98%	98.8%
Brand / Generic	▼	"Bed And Bath Emporium"	207	14.0	14.78	187	96.8%	93.5%	95%	92.4%
All	▼	+600 +Thread +King +Fitted +Sheet	86	8.0	10.74	90	98.3%	63.3%	25%	49.9%
	▼	+400 +Thread +Count +King +Sheets	65	5.0	13.00	72	94.5%	61.4%	17%	31.9%
Campaign Group	▼	[Bed Emporium]	59	7.0	8.41	159	86.7%	83.7%	95%	64.9%
All	▼	"Bathroom Emporium"	56	7.0	8.01	92	55.5%	46.8%	69%	37.8%
Campaign	▼	[Bathroom Emporium]	54	5.0	10.84	100	87.6%	84.6%	95%	55.9%
All	▼	[600 Thread Bed Sheets]	46	3.0	15.18	62	82.6%	76.3%	86%	58.1%
	▼	+600 +Thread +Double +Fitted +Sheet	44	3.0	14.74	34	99.6%	47.7%	23%	44.2%
Ad Group	▼	[1000 Thread Count King Sheet]	40	4.0	10.08	22	99.1%	96.6%	96%	79.0%
All	▼	1000 tc pillowcases	40	3.0	13.23	46	73.8%	12.7%	2%	10.4%
	▼	+600 +Thread +Count +King +Sheets	30	2.0	14.80	38	95.9%	50.2%	27%	39.5%
Keyword / PLA	▼	1000 thread count 100 cotton	24	2.0	11.93	30	55.5%	26.5%	15%	14.0%
All	▼	"Bed Emporium"	21	3.0	6.92	43	57.4%	48.0%	78%	34.3%
Campaign State	▼	+Double +400 +Thread +Count +Duvet +Cover	18	2.0	9.06	27	80.6%	31.3%	2%	17.8%
All	▼	+1000 +Thread +King +Fitted +Sheets	15	1.0	15.47	9	98.3%	62.4%	33%	45.3%
	▼	1000 thread count duvet	15	1.0	15.22	24	28.1%	14.1%	20%	10.6%
Ad Group State	▼	+Bed +And +Bathroom +Emporium	15	2.0	7.48	12	100.0%	97.1%	97%	82.3%
All	▼	"400 Thread Fitted Sheet"	15	1.0	14.73	16	91.9%	53.0%	48%	30.1%
	▼	[100 Cotton Bed Linen]	15	1.0	14.68	20	55.1%	34.4%	31%	14.6%
Keyword State	▼	[Super King Bed Sheets]	13	2.0	6.45	24	18.9%	10.1%	11%	10.0%
All	▼	1000 thread count cotton sheets	13	2.0	6.41	16	67.6%	35.5%	26%	18.4%
Total			1,342	377.0	3.56	3,599	49.5%	20.4%	14%	15.8%

3. Spot campaigns with big year on year variances

Due to the complexity of running an account it's often the case that something can change over time to impact performance. You should always be on the lookout for big year on year variances of cost, CPA and conversions and manage those exceptions accordingly. We have a report that features those keywords with the greatest changes compared to the previous year to help spot this issue.

4. Pause duplicate keywords and choose the best performer

It is hard enough managing the performance of a keyword when it is contained in one ad group let alone when for some reason a keyword features in more than one ad group. You should be examining these duplicates and choosing the highest performing variant and pausing the others. We have created a report to make this activity easy for you to complete. In the following example the keyword selected appears in two ads they have a very different performance. You would be pausing the second ad and focussing all clicks onto the better performing first ad:

Customer Insight

Keyword / Product	Ad Groups	Cost
"1000 Thread Count Duvet Covers"	2	9
"King 600 Thread Count Duvet Cover"	2	0
[1000 Thread Count Duvet Covers]	2	48
+1000 +Thread +Count +Duvet +Covers	2	32
+King +600 +Thread +Count +Duvet +Cover	2	27
1000 Thread Count Fitted Sheet DOUBLE White	2	1,073
600 Thread Count Fitted Sheet SUPER KING Ivory (Cream)	2	190
Breathable 3D Mesh Pillow	2	65
Cotton Box Pillow, Pair	2	68
Limited Edition Black Matches In A Bottle 'Stag Bottle Stopper'	2	25
Quilted V-Shaped Pillow with Cover	2	158
Total	9	1,695

Activity - Pause Duplicates

11 Keywords Duplicated		1.69K Spend Duplicated		13% Spend Duplicated %			
campaign	adGroup	adGroupID	Cost TY	Conv % TY	CPCConv TY	CPC TY	CTR TY
Duvet Covers [Search] MM	1000 Thread Count Duvet Covers plural	72409079408	46	9.0%	7.74	0.69	21.9%
Duvet Covers [Search] MM	1000 Thread Count Duvet Covers MM	45813450199	2	0.0%		1.00	18.2%
Total			48	8.7%	8.07	0.70	21.8%

5. Adjust Bid Modifiers

The main bid modifiers you can adjust are time of day, day of the week and device. You can also switch any of these off completely. When examining the CPAs of these you are looking for any imbalance as this represents the ability to redeploy higher CPA spend into lower CPA areas. I also tend to turn off spend between midnight and 6am as typically the conversion rate in those hours is poor due to the type of visitors at that time. We have produced an insight report that looks at CPA by device, time of day and day of the week:



In this example you can see that, compared to the all campaign average, the "Shopping MM" campaign has a disproportionately high CPA for tablet and that this occurs both in the early hours of the morning and in the evening. Making a negative bid adjustment for this could substantially reduce your CPA.

6. Don't run out of budget on low CPA campaigns

When you have campaigns with a variety of CPAs then it would be a bad thing to run out of budget in those that have the lowest CPAs whilst you keep running the ones with the highest CPA. Google is quite clever at optimising budget usage but there are often situations where we see budgets running out and you may wish to manually increase or decrease budgets. We have a report where we look at the participation of spend before 3pm. The higher the % the more likely you would have run out of budget.

7. Test and optimise optimal ad copy

The ad copy you show for each of the ads (mainly headline 1, headline 2 and description 1) needs to be worded to achieve a high quality score, but it can also have a dramatic impact on click through rate. What you are trying to do is encourage a high click through rate but vitally you only want clicks that are likely to convert, so high click through rate alone is not the sole objective. There is a very fine balance between driving clicks and driving relevant clicks. We enable you to examine the highest performing ads as well as the highest performing component parts:

Customer Insight		Activity - Optimise Ad Components									
Ad Group	Cost	Headline 1	Imp	CTR	Clicks	Conv	Conv %	Cost	CPConv		
1000 Thread Fitted Sheet MM	7,182	1000 Thread Fitted Sheets	158,392	3.9%	6,142	176	3%	6,920	39		
Bed Sheets 1000 Thread Count MM	6,176	Bed & Bath Emporium	2,615	6.8%	179	7	4%	263	38		
High Thread Count Bed Linen MM	1,667	Total	161,007	3.9%	6,321	183	3%	7,182	39		
1000 Thread King Sheet MM	1,505										
1000 Thread Count Duvet Covers MM	1,015										
Bed & Bathroom Emporium MM	755										
1000 Thread Count Duvet Covers plural	513										
White Bed Linen MM	391										
600 Thread Fitted Sheet MM	358										
High Thread Count Sheets MM	351										
White Cotton Bed Sheet MM	349										
400 Thread Count Fitted Sheet MM	313										
Luxury Bed Sheet MM	312										
1000 Thread Bed Sheet MM	301										
400 Thread Fitted Sheet MM	287										
Cotton Bed Sheet MM	273										
Lumie Body Clock MM	208										
400 Thread King Sheet MM	207										
Super King Fitted Sheet MM	187										
Oxford Pillowcase MM	186										
400 Thread Bed Sheet MM	186										
600 Thread Bed Sheet MM	172										
King Linen Bed Sheet MM	165										
400 Thread Count King Sheet MM	136										
400 Thread King Fitted Sheet MM	133										
King 400 Thread Count Duvet Cover MM	126										
400 Thread Count Fitted Sheets MM	121										
King 600 Thread Count Duvet Cover MM	113										
2000 Pocket Sprung Mattress MM	104										
600 Thread Deep Fitted Sheet MM	102										
1000 Thread Deep Fitted Sheet MM	96										
600 Thread King Fitted Sheet MM	92										
1000 Thread King Fitted Sheet MM	90										
Total	26,749										
		Headline 2	Imp	CTR	Clicks	Conv	Conv %	Cost	CPConv		
		Price Reductions Online Now	150,201	3.8%	5,668	163	3%	6,332	39		
		12% Off For New Customers	4,590	7.2%	331	8	2%	417	52		
		1000 Thread Fitted Sheet	2,423	6.6%	161	6	4%	241	40		
		High Quality Guaranteed	3,601	4.0%	143	5	3%	170	34		
		1000 Thread Fitted Sheets	192	9.4%	18	1	6%	22	22		
		Total	161,007	3.9%	6,321	183	3%	7,182	39		
		Description	Imp	CTR	Clicks	Conv	Conv %	Cost	CPConv		
		A Quality Selection Of Luxurious 1000 Thread Count Bed Sheets.	192	9.4%	18	1	6%	22	22		
		A Quality Selection of Luxurious 1000 Thread Count Bed Sheets. From Just £40.00!	160,815	3.9%	6,303	182	3%	7,160	39		
		Total	161,007	3.9%	6,321	183	3%	7,182	39		

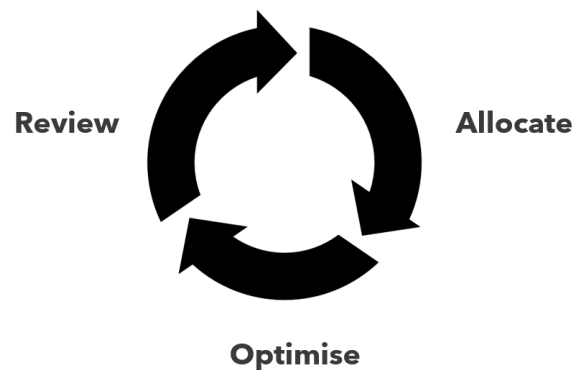
For the Ad Group selected you can see that Headline 2 shows a wide variance for both Click Through Rate (CTR) and Conversion Rate (Conv %). This has produced a resulting wide variance in the CPA (CPConv = Cost Per Conversion).

These are just a selection of the 20 insight-led activity reports contained in the Omnocommerce Google Ads Insight Suite. We would be more than happy to demonstrate the full capabilities if required.

Conclusions

This white paper goes into the detail of some of the thinking behind how we look at paid search optimisation as well as walking you through some of the activity orientated reports within the Omnocommerce Google Ads Insight Suite.

To optimise the value you create from your marketing investment it is critical that you match the CPA of the customers you acquire to lifetime value they create. It's also critical that you follow the Omnocommerce Execution Cycle, the recurrence of which will depend on the variability within your business and the resources you have:



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Appendix - Google Bid Strategies

Strategy	Description	Comments
Manual Bidding	The easiest. You manage the bids yourself at a keyword level although you can set a default max CPC.	Good starting point. It needs time. Limited data points.
Enhanced CPC	Similar to manual but has some Google automation that may increase the bids.	There is no cap so could lead to some unprofitable results.
Maximize Conversions	Full automation (no manual input) to obtain maximum conversions.	Must have tracking in place. Google will spend the whole budget to maximise conversions even if these are at unprofitable CPAs.
Target CPA	You set a target CPA and Google optimizes bids to hit this average with your budget. You can also set a max and minimum bid.	Must have tracking in place and a reasonable level of campaign conversion in place (one a day). You may want to start at a higher target to drive volume and then move down over time.
Target ROAS	Similar to target CPA but google predicts future conversion value to alter bids.	Must have tracking in place and a reasonable level of campaign conversion in place (one a day). You may want to start at a higher target to drive volume and then move down over time.
Maximize Clicks	Google alters bids to get the highest volume of clicks. You can set a maximum bid.	Set a maximum CPC. Like max conversion is possible that you could result in extraordinary high CPCs.
Target Impression Share	You set a % of occasions you wish to appear and in which position.	Set a maximum CPC. It is possible that you could result in extraordinary high CPAs. Setting to 100% rarely achieves this result.
Target Search Page Location	Allows you to target top-of-page or first page. Has low quality score protection.	Need to keep an eye on CPAs.
Target Outranking Share	Similar to location allows you to rank higher than a competitor.	Again, need to keep an eye on CPAs but can also be expensive if targeting a competitor as quality scores will be low.