

# ZUIJ PERIODIC TABLES OF PPC

PRESENTED BY Search Engine Land

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## INTRODUCTION

For nearly a decade, Search Engine Land's Periodic Table of SEO has been a globally recognized tool for search professionals. Now, we are bringing this comprehensive, visual approach to the paid search landscape with the release of the Periodic Tables of PPC

Paid search has become increasingly complex, with more campaign types, more ad formats, more targeting and optimization levers and, yes, more automation and machine learning. In fact, it's become so expansive that we have broken the elements into two tables. In these tables and report we focus exclusively on the intricacies of Search and Shopping campaign elements and do not delve into channels such as Display and Video..

The Periodic Table of Essential PPC Elements encompasses structure, campaign types, ad formats, ad copy, bidding and targeting mechanisms. Part of what we wanted to achieve with this tool is an ata-glance view of the influence of automation and machine learning on paid search. Each element is color-coded based on whether it is manual, automated, machine learning-driven or a blend of manual control and automation. We've also included the key calculations used in the auctions.

The Periodic Table of PPC Optimization and Measurement covers all of the levers and tools available for optimizing and measuring performance as well as the quality and contextual signals the search engines use in the auction.

The accompanying report also includes several additional assets and references, including the PPC "toxins" that can hurt your performance. As Google and Microsoft extend campaigns beyond the search results, we also provide you with a handy view of where your ads in these newer campaigns can appear.

While paid search marketing is an art, it is also a science. We hope this new tool serves as an essential reference for your experiments.



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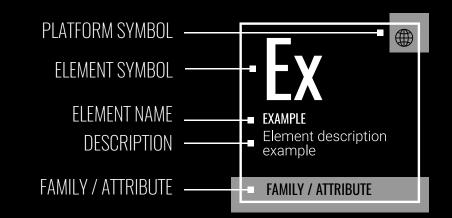
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## Search Engine Land PERIODIC TABLE OF **ESSENTIAL PPC ELEMENTS**

Paid search has become increasingly complex, with more campaign types, ad formats, targeting levers, and yes, more automation and machine learning. Use this guide to ensure you're taking advantage of all the elements at your disposal and understand where each fits on the automation spectrum.



#### ELEMENT CAMPAIGNS COPY BIDDING STRUCTURE FORMATS TARGETING GUIDE Sc A Cd Kw Dg Mn Ma .0 MANAGER ACCOUNT SEARCH LOCAL SERVICE ADS CUSTOMIZER: COUNTDOWNS ADJUSTMENT: LOCATION KEYWORDS MANUAL DEMOGRAPHICS Top of the "near me" SERPs. Set your own bids. Prioritize bids by The original intent signal Manage multiple accounts. Display as text ads. Automate the sense of Age, gender, etc. urgency. geography. **STRUCTURE / MANUAL CAMPAIGNS / BI ENDER BIDDING / MANUAL BIDDING / MANUAL TARGETING / MANUAL** COPY / \ FAMILIES Sp Ec Fx Av Au **STRUCTURE** CUSTOMIZER: DYNAMIC ENHANCED CPC ADJUSTMENT: DEVICE DYNAMIC AD TARGETS ACCOUNT EXPANDED TEXT ADS **KEYWORD MATCH TYPES CAMPAIGNS** SHOPPING The beginning of the end of A/B. Control-ish queries that trigger ads. Content segments for DSAs. **KEYWORD INSERTION** Prioritize bids by mobile, desktop, tablet. Billing, tracking shell. Entry-level automation Be clear about the products you sell. Be the query FORMATS **STRUCTURE / MANUAL CAMPAIGNS / BLENDED** FORMATS / MANUAI **BIDDING / MANUAL COPY / AUTO TARGETING / BLENDED BIDDING / ML-DRIVEN TARGETING / AUTO** COPY Ss Rs Ah Ca Ge Π BIDDING น GOALS SMART SHOPPING RESPONSIVE SEARCH ADS **CUSTOMIZER: IF FUNCTIONS** TARGET CPA ADJUSTMENT: SCHEDULING CUSTOM AUDIENCES GEOGRAPHIC TARGETING Sales, leads, traffic, etc. Auto shopping. Be contextually relevant Bids based on CPA Prioritize bids by day, Combo of custom inten custom affinity Hone in on your More words, more variables. target. time. customers audiences. **STRUCTURE / MANUAL BIDDING / MANUAL TARGETING / MANUAL** COPY / AUTO GNS / ML-FORMATS / MI - DRIVE IG / MI -DRIVFN FARGETING / MI -DRIVEN Cn Ds At Ak *i*p **ATTRIBUTES:** CAMPAIGN DYNAMIC SEARCH CALL-ONLY ADS HEADLINES TARGET ROAS ADJUSTMENT: TOP CONTENT AUDIENCE: IN-MARKET LEVEL OF **IP EXCLUSIONS** Bids based on ROAS These people are ready to buy. Cover query gaps, but Be relevant. Be YouTube, display only. Keep prying eyes off your ads. Organize by goal. Hello? It's me, your lead mine for negatives interesting. target. CONTROL **BIDDING / MANUAL TARGETING / MANUAL CAMPAIGNS / AUTO** FORMATS / MANUAL **STRUCTURE / BLENDED COPY / BLENDED** DING / ML-DRIVEN TARGETING / ML-DRIVEN Θ Dc Aa M MANUAL DYNAMIC SEARCH ADS DESCRIPTIONS MAXIMIZE CLICKS ADJUSTMENT: AUDIENCE AUDIENCE: AFFINITY TARGETING 1 OCAL COMPANY Reach the right people Foot traffic is the goal Bids for most clicks. Target LinkedIn: Where These keep getting Prioritize bids by who Based on your web copy Awareness based on longer. spends budget. browsing interests they work AUTOMATED **BIDDING / MANUAL STRUCTURE / BLENDED COPY / BLENDED TARGETING / AUT** Θ **MACHINE LEARNING** Rø h P Mc AC Am 2 2 DRIVEN



QUALITY SCORE = Landing Page Experience + Ad Relevance + Expected CTR

#### AD RANK =

Bid x Quality Score + (expected impact of extensions, formats)

CPC =

Ad Rank of advertiser below you / (Quality Score + \$0.01)





TARGETING / AUT

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# **KEY AUCTION CALCULATIONS**

You'll notice the three key auction calculations are included in the bottom left-hand corner of the table. Understanding the function of these calculations is foundational to succeeding in paid search.

#### Quality score = Landing page experience + ad relevance + expected CTR

Quality score is a relevancy score that Google assigns to each of your keywords. On the front-end, this is represented as a score of 1 to 10. As you can see below, quality score is then a factor in calculating your ad rank at the time of auction. Brad Geddes article on Search Engine Land titled Reverse-engineering AdWords Quality Score factors is good look at quality score calculations.

#### Ad rank = Bid x quality score + (expected impact of extensions, ad formats)

Ad rank determines if you get on the search results page, and, if so, what your ad position on the page will be relative to the other ads in the auction. It's also a factor in whether your ads will be eligible to display with extensions and other ad formats.

#### CPC = Ad rank of advertiser below you / Your quality score + \$0.01)

CPC or cost-per-click is the price you actually pay when someone clicks on your ad. Ad Rank has a big impact on your actual cost-per-click (CPC). It's often misstated that advertisers pay one cent more than the advertiser in the spot below them. But that's really just a piece of the CPC calculation. Because pricing is based in part on the Ad Rank of the next competitor, actual CPCs can vary widely.

Here's an example of what the ad auction looks like in practice:

#### **A Typical Auction**

	Max Bid	Quality Score	AdRank	Position	CPC Calculation	Actual CPC
Advertiser 1	4	8	32	1	=27/8 + .01	3.39
Advertiser 2	3	9	27	2	=24/9 + .01	2.68
Advertiser 3	6	4	24	3	=16/4 + .01	4.01
Advertiser 4	8	2	16	4		

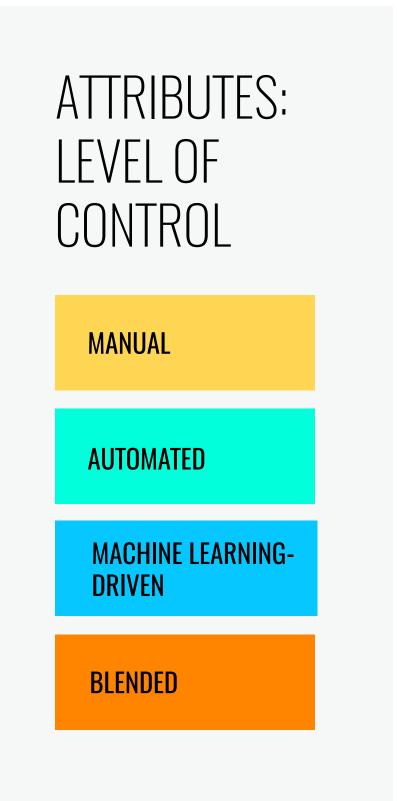
Keep in mind, Google reports average CPC, which is your total cost divided by total clicks.

## THE ELEMENT GROUPS



The table elements are organized into groups called families. The main table consists of Structure, Campaigns, Formats, Copy, Bidding and Targeting. Each element has a symbol denoting what platform it's available on: Google, Microsoft or Universal, meaning it's on both platforms.

Color coding is used to indicate the level of control available with each element.



**Yellow** indicates users have manual control over the set-up of an element.

**Teal** indicates an element that is powered through automation, such as the ability to retarget web visitors, or that enables users to automate aspects of their campaigns such as dynamic keyword insertion (Dki).

**Blue** elements are powered by the ad systems' machine learning algorithms. This is an area in which we've seen explosive growth, with new campaign types essentially being entirely powered by machine learning.

Finally, **orange** indicates elements that incorporate a mix or blend of manual and machine control or that have both manual and machine-powered options.

For example, match types is coded as blended because they afford users some level of manual control over when their ads can trigger. But the engines' use of close variants means machine learning is now also influencing ad-toquery matching.

## STRUCTURE

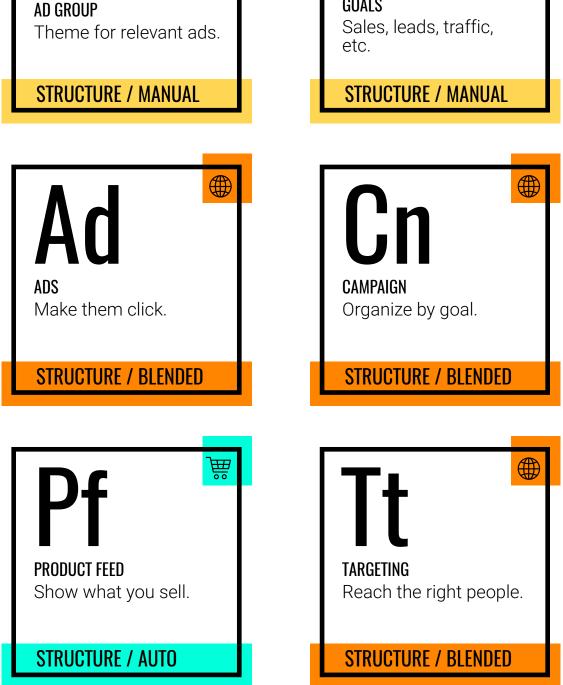
# 01

From the account shell to the campaigns to the ads, the structure family makes up the core foundation of paid search elements. Manager accounts (Ma) enable advertisers and agencies to manage and share data between multiple accounts from one umbrella account. In the fall of 2019, Microsoft Advertising announced that all new accounts would automatically be manager accounts whether they are going to be used as such or not.

Agg of the formula is a second structure of the sec

After you set up your account (Au), everything flows from your goals (Gl). Your goals dictate the types of campaigns (Cn) you create as well as their targeting (Tt), ad types, messaging and budget (Bg) allocated to them. Ad groups (Ag) house keywords, text ads with landing pages. They allow you to tightly align the keywords to the messaging users will see and the destination they'll get if they click your ad (Ad). This alignment is critical as it increases the likelihood that your ads and landing pages will resonate with what a user is searching for -- and will cost you less. The Quality Score system factors landing page experience, ad relevance and expected clickthrough rate. In other words, it's a grade of expected user experience, and the better your quality scores the less you'll pay for an ad click.

Product feeds (Pf) include the product data -- product names and descriptions, images, attributes and pricing -that powers ads in Shopping campaigns.



## CAMPAIGNS

The increase in the number of campaign types available for search campaigns has been driven by machine learning. The standard offerings are Search (Sc) campaigns for text ads and Shopping (Sp) campaigns for image-based ads for products. Most of this report will focus on these two types, but we'll also briefly touch on the new machine learning-powered campaign types that have been introduced.



Dynamic Search (Ds) campaigns use automation to help advertisers expand their reach by filling in gaps in their keyword lists. Microsoft and Google each support Dynamic Search campaigns. They can be useful for mining new keyword opportunities for businesses of any type and are particularly well suited for retail businesses with a large product number of products. The system matches search queries to content on the advertisers' website. Ad headlines and landing pages are created automatically from content on the site.

Local Services (Ls) campaigns are available on Google for specific local service provider sectors such as electricians, locksmiths, plumbers and HVAC technicians in the U.S. and Canada. To utilize this type of campaign, businesses must first

enroll in the Google Guaranteed program. Users can contact local service providers directly or submit a Google-hosted lead form.

In the last two years, Google has steadily added new machine learning-powered campaign types for which advertisers provide a set of inputs and the system automatically determines how and when to serve the ads. Another differentiating aspect of these machine learning-powered campaign types -- Smart Shopping (Ss), Local campaigns (L), Smart campaigns (Sm) and App campaigns (A) -- is that they are eligible to run across other inventory sources beyond Search, such as YouTube and the Display Network. See the Placements chart in the appendix.

Microsoft Advertising has smart campaigns on its product roadmap for the coming year.

(Not included in the table are Hotel campaigns, available only for hotel advertisers in Google Ads. The ads appear for hotel searches on Search, Maps, or Assistant. They show in a hotel booking module and are powered by feeds.)

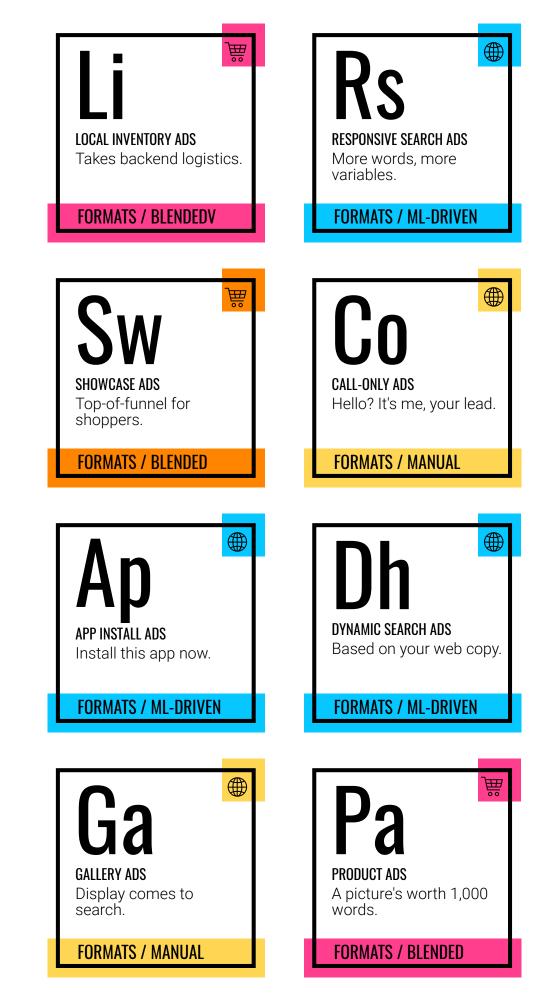
# FORMATS



Campaign types aren't the only things multiplying dramatically; ad formats in search have proliferated as well. Expanded text ads (Ex) can include up to three headlines and two descriptions. Responsive Search Ads (Rs) are currently in beta on both Google Ads and Microsoft Ads. Advertisers enter several headlines and descriptions. The engines use machine learning to test different combinations and determine which combinations perform best.

If your business tends to convert customers better by phone than online, Call-only ads (Co) can be a good option. Shown on mobile devices, the phone number is prominently featured in the ad. When a user clicks the ad, they're prompted to call the number rather than click-through to the business' website.

Product ads (Pa), Local Inventory ads (Li) and Showcase ads (Sw) are each options available in Shopping campaigns. Product ads promote individual products and link to the corresponding product landing page on the advertiser's website. Local Inventory ads are designed to drive in-store sales and only show to users in the vicinity of your stores. A Google-hosted landing page, called the local storefront, shows in-store inventory, store hours, directions, and other store details. These ads require technical capabilities to supply live local inventory feeds for each store. Showcase Shopping ads typically show on broad retail queries such as "running shoes" and display multiple related products in that category to show a range of offerings.



6

LOCAL SERVICE ADS

**EXPANDED TEXT ADS** 

FORMATS / MANUAL

of A/B.

The beginning of the end

Top of the "near me" SERPs.

FORMATS / ML-DRIVEN

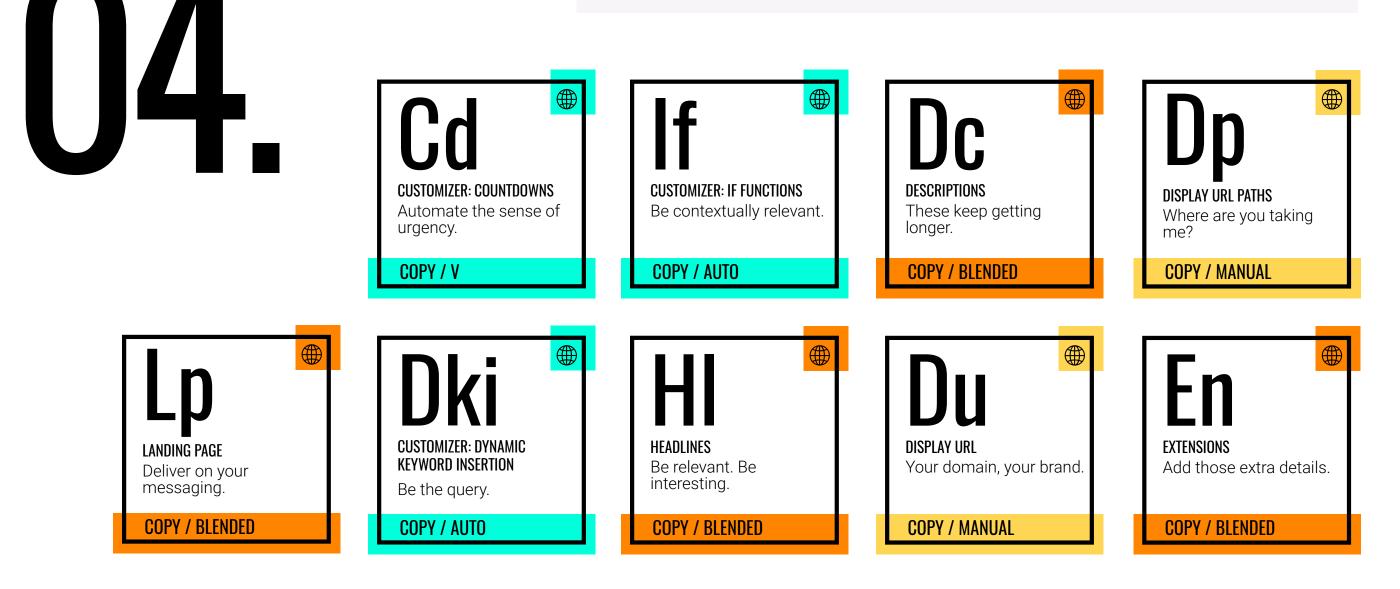
Gallery ads (Ga) are in beta in Google Ads. The format, which has been available for automotive manufacturers for several years (Model Automotive ads), is distinguished by a large swipeable carousel of images. They appear in the absolute top ad position in search results and are meant to run in search campaign ad groups along with text ads.

Dynamic Search Ads (DSA), Local Services ads (Le) and App ads (Ap) are only available in their corresponding campaign types.

Though not a specific ad format, Google may show machinegenerated ad suggestions in Search campaigns. They are created based on existing text ads in your account. This is part of the company's effort to get advertisers to run at least three ads per ad group. Advertisers can review, edit, pause or dismiss the suggested ads within a 14-day period, after which they will start serving. Advertisers can also opt out of the program.

## COPY

Text ads consist of headlines (HI), descriptions (Dc), display URL (Du) with optional display paths (Dp), a destination URL for the landing page (Lp) and ad extensions (En). Each of these should be tailored to be relevant to the keywords in the ad group. Ads should include a call to action. Test different benefits and features as well as different offers in your ads to set them apart from the competition.



Headlines are the most prominent part of your ad and offer a key opportunity to catch the searcher's attention. You want your headlines to reflect the searcher's intent and promise an answer to the question that drove them to search.

Ad extensions give you the opportunity to add extra details to your ad -- and potentially take up more real estate on the search results page. The expected impact of an ad is taken into account in the Ad Rank calculation which determines where your ad will appear on the page, so it's important to set up any that are appropriate to your business. That said, advertisers have no control over when or which ad extensions display with their ads.

You can add up to two optional display paths of 15 characters each to append to the display URL that users see in your text ads. They can be used to further indicate relevance to the query and even a feature or benefit. Take this example seen in an ad for "life insurance": quote.hellobestow.com/Fast-Decision/Life-Insurance. The advertiser used the display paths to promote its fast service in the first path and further connect the ad to the user's query with the second path. Display URLs show the root domain of the landing page and cannot be edited.

Ad extensions can be set up at the account, campaign or ad group levels. Many can also be scheduled to show on specific days and times (to align with your business hours, for example). A number of ad extensions are available in both Google Ads and Microsoft Advertising, while others are unique to one platform.

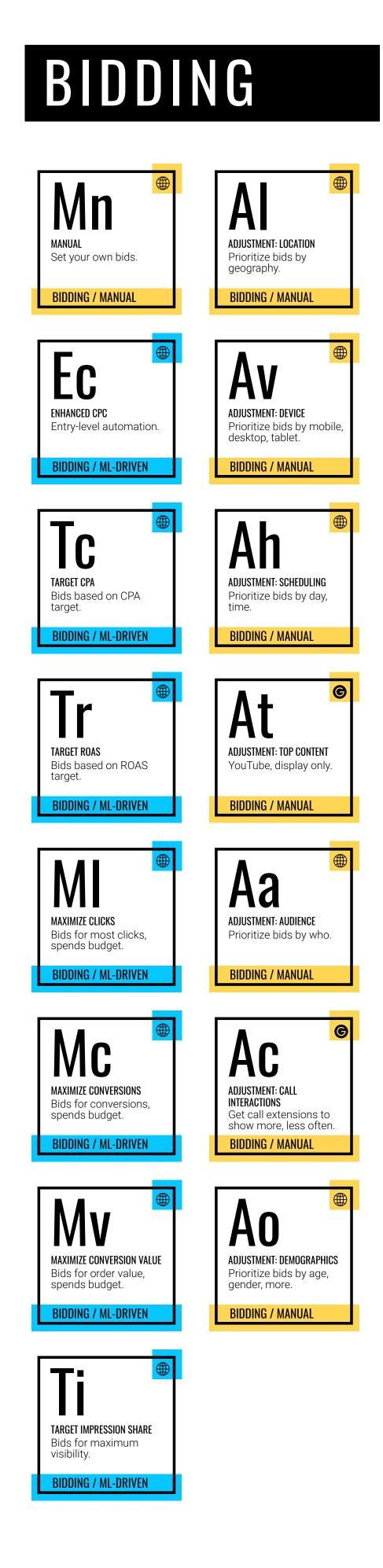
Finally, landing pages are the Final URLs or destination pages on which users land after clicking your ads. Landing page experience is a key piece of the Quality Score calculation and affects your Ad Rank and CPC. The content on the page should be well-matched to the ad copy and the user's search query. It also needs to incorporate other experience factors such as clear navigation, quick page load and site speed, transparency about what the business does and how to contact it, and it should lead with an explanation of the product or service being advertised before asking users to fill out and submit forms. The best ads can't fix a bad landing page. If you can't deliver a good landing page experience for your visitors, you are not going to accomplish your campaign goals and will waste money.

# COPY (cont.)

The table below includes the available extensions in both or one platform, whether they are generated automatically or manually controlled by the advertiser and whether the extensions are clickable. Google and Microsoft are routinely testing new ad extensions. Most recently, Google started testing a lead form extension.

#### **EXTENSIONS TABLE** (Appendix B)

Ad Extension	Platform	Automated / Manual	Clickable	Description
Action	Microsoft	Manual	Yes	Add a call-to-action button to your text ads. There are 70 preset action types such as Act Now, Coupon, Free Quote, Shop Now, Sign Up.
Affiliate location	Google	Manual	Yes (on mobile)	For brands that sell products through retail chains, these show the nearest store that sells their products. (Can also show with YouTube and GDN ads.)
Арр	Universal	Manual	Yes	To help promote app installs, include a link to your app from your text ads. Takes users to the Google Play or Apple App store depending on user's device type.
Automated app extensions	Google	Automated	Yes	Automated app install call-to-action. Limited to Android when developers associate their apps with their websites in App Links.
Call	Universal	Manual	Yes (mobile)	Phone numbers display with text ads. Can be your own number or Google or Microsoft forwarding number for tracking.
Callout	Universal	Manual	No	Add short highlights of offers, promotions and benefits such as "Free Shipping," "Fast Quotes," "24/7 Customer Service."
Consumer ratings	Universal	Automated	No	Highlight strengths in selection, customer service, pricing, etc. On Google, data is pulled automatically from Google Consumer Surveys platform.
Dynamic ad enhancements	Microsoft	Automated	No	For text ads, these include: augmented display URL extensions if you're not using display paths; a deal badge for holiday deals and promotions; dynamic descriptions based on landing page content; event extensions highlighting an event-related offer (For example, Bing will crawl for Valentine's Day-related content from Jan. 31 - Feb 14); related information pulled from reputable third-party sources; smart landing page title to highlight specific products and brands featured on the landing page related to the query; trending search shows top queries that other "people also search" when they get to your site; free shipping when offered.
Dynamic callout	Universal	Automated	No	The engines may automatically pull information about the business and products from your site if manual callouts aren't set up.
Dynamic partner data enhancements	Microsoft	Automated	No	These can include brand information extensions which show the full brand name, a security badge showing the site is secured by an antivirus provider like Norton or McAfee; the number of Twitter followers a site has.
Dynamic sitelinks	Google	Automated	Yes	Automatically generated sitelinks (and descriptions for existing sitelinks) when not added manually.
Dynamic structured snippets	Universal	Automated	No	The engines may pull details from the landing page when manual structured snippets are not available.
Get a ride	Microsoft	Automated	Yes	Available as part of location extensions. A ride icon shows for iPhone users to launch their Uber app. If signed in, the destination will be pre-populated.
Image	Microsoft	Manual	Yes	Displays one image such as a brand's logo with their text ads. Can include display and description text that may show with the image.
Lead form (beta)	Google	Manual	Yes	Searchers can submit their information to request or download information from text ads.
Location	Universal	Manual	Yes	Shown to local searchers with info about physical business locations such as distance to the user (on mobile), street address, store details.
Longer headlines	Microsoft	Automated	Yes	Microsoft may dynamically show longer headlines in text ads.
Merchant promotions	Universal	Manual	Yes	Highlight special promotions in Shopping campaigns. Set up through the Merchant Centers.
Message	Google	Manual/ Automated	Yes	Enable users to text an advertiser right from an ad on mobile devices. Google may auto-enable this if you're using a mobile call extension number or "when your website indicates that your business goals include getting people to message you."
Multi-image	Microsoft	Manual	Yes	In beta in the U.S., show five images with display text (and optional descriptions) on text ads in the first ad in the mainline result.
Previous visits	Microsoft	Automated	No	Shows the number of times the user has visited the advertiser's site from search results and when they last visited.
Price	Universal	Manual	Yes	Show prices for different services and products offered on your site. Can include starting from prices or specific amounts.
Product ratings	Universal	Automated	No	Display star ratings and total review count for products in Shopping ads. Reflects aggregated review data from multiple sources.
Promotion	Google	Manual	No	Highlight limited-time discounts in text ads. Can feature percent or monetary discounts and be tied to an occasion such as Back to school, Cyber Monday, Eid al-Fitr, End of Season. They display with a deal tag icon.
Review	Microsoft	Manual	Yes	A quote or paraphrase of a review from an independent, established third-party review source. Link to the source where the review is posted.
Seller ratings	Universal	Automated	No	Shown with text ads and Shopping ads for advertisers with high ratings. Includes stars and ratings count.
Sitelink	Universal	Manual	Yes	Give users more options to get to relevant content on your site from your text ads. Description text is optional, but engines may pull them from your account.
Structured snippet	Universal	Manual	No	Highlight what you offer. Select a header (Amenities, Brands, Courses, Shows, Styles, Types etc.) and then list relevant values.



# 05.

The engines have been pushing advertisers away from using manual bidding and instead toward adopting one of the many automated or "smart" bidding strategies they've rolled out over the past several years. Manual bidding (Mn) is just that -- advertisers set their own bids at the ad group and/or keyword level. This is often the best place to start for new advertisers.

Bid adjustments allow you to set percentage increases or decreases to bids to control where and when your ads are shown and the price you're willing to pay to be there. For example, if your campaigns convert well in Florida, you may choose to set a positive location bid adjustment to compete better in those auctions. You may also find that your campaign converts worse on mobile and set a negative device bid adjustment for mobile auctions.

> Bid adjustments can be useful, but they also add complexity to account management when you use more than one bid adjustment in a campaign. Bid adjustments are typically multiplied together when determining your final bid and can end up increasing or decreasing your CPCs in ways you hadn't intended. Here are two examples of how bid adjustments work:

When applying	Starting bid	\$1.00
one bid	Bid adjustment	30%
adjustment	Adjusted bid	\$1.30 Starting bid + (Starting bid x Bid adj)
aujustment		
	Starting bid	\$1.00
	1st Bid adjustment	30%

When applying	1st Adjusted bid	\$1.30 Starting bid + (Starting bid x Bid adj)
multiple bid		
adjustments	1st Adjusted bid	\$1.30
	2nd Bid adjustment	-10%
	2nd Adjusted bid/Final Bid	\$1.17 1st Adjusted bid + (1st Adjusted bid x 2nd Bid adj)

Below is a look at the available bid adjustments. Most recently, Google added bid adjustments for "Interactions" – the first of which is for calls and is aimed at letting advertisers influence whether call extensions show more or less often.

#### **BID ADJUSTMENTS** (Appendix D)

Adjustment	Platforms	Level	Range	
Adjustment: Device	Universal	Campaign; Ad Group in Google	+900% to -100%	
Adjustment: scheduling	Adjustment: scheduling Universal		+900% to -90%	
Adjustment: Demographics	Universal	Campaign	+900% to -90%	
Adjustment: Location	Universal	Campaign	+900% to -90%	
Adjustment: Audience	Google	Campaign; Ad Group in Google	+900% to -90%	
Adjustment: Call Interactions	Google	Campaign	+900% to -90%	

# BIDDING (cont.)

## AUTOMATED **BIDDING STRATEGIES** (Appendix C)

Strategy	Platform / Campaign	Description	Clickable	Description	Data Requirements	
Maximize Clicks	Google: Search, Shopping Microsoft: Search, DSA, coming to Shopping	Sets bids to get as many clicks as possible within budget.	Yes	Sets bids to get as many clicks as possible within budget.	NA	
Maximize Conversion Value	Google: Search	Sets bids to get most valuable conversions and spend your daily budget.	Yes (on mobile)	Sets bids to get most valuable conversions and spend your daily budget.	Must have conversion values set.	
Maximize Conversions	Google: Search, Display, Gmail Microsoft: Search, DSA	Sets bids to get most conversions and spend your daily budget.	Yes	Sets bids to get most conversions and spend your daily budget.	Google: At least 15 conv. per month recommended. Microsoft: At least 30 conv. in the previous 30 days.	
Target CPA	Google: Search, Display, Gmail Microsoft: Search, DSA	Sets bids to accrue the highest number of conversions at or below a target average cost-per- action. Device bid adjustments will change the value of the CPA target rather than the bids.	Yes	Sets bids to accrue the highest number of conversions at or below a target average cost-per- action. Device bid adjustments will change the value of the CPA target rather than the bids.	Google: 50 conv. in past 30 days recommended. Microsoft: At least 30 conv. in past 30 days.	
Target impression share	Google: Search	Sets bids to meet your impression share percentage goal for one of three placements options: absolute top of page, top of page, or anywhere on page.	Yes (mobile)	Sets bids to meet your impression share percentage goal for one of three placements options: absolute top of page, top of page, or anywhere on page.	NA	
Target ROAS	Target ROASGoogle: Search, Shopping; in beta for App Microsoft: Coming to Search, Shopping		No	Sets bids to get the highest conversion value at your target return on ad spend. Only bid adjustment available is Mobile -100%.	Google: At least 20 conversions in the past 45 days. For Search, at least 15 conv. in past 30 days, but 50 is recommended. Also helps to have received conversion values at a similar rate for at least a few days. App campaigns, at least 10 conversions every day (or 300 conversions in 30 days).	

# TARGETING

06.

Once the king of intent targeting, the keyword has slipped in stature with the advent of audience targeting and machine learning.



In traditional search campaigns, advertisers still choose the keywords (Kw) they want to target with their campaigns and input them manually. However, expanded matching to close variants, which includes same meaning phrases in keyword match types (Kt), means the engines are assuming greater control over when your ads trigger for a query. Google and Microsoft say some 15% of daily searches are new, and advertisers miss out on these new queries if matching is too tightly controlled. With the advancements in machine learning systems, they say they can infer query intent and spare advertisers from the need to create exhaustive keyword lists to get their ads to trigger on relevant queries.

The real advancements in audience targeting have been in prospecting capabilities. "Machine learning has advanced to be able to attribute intent in different phases of the funnel," Google SVP of Ads and Commerce Prabhakar Raghavan said at the company's annual ads event in May. In-market (Ak), affinity (Af) and similar audiences (As) use different signals, but each is aimed at helping advertisers expand their prospecting reach and tailor messaging to where users are in the purchasing journey. Custom audiences (Ca)

Geographic (Ge) targeting has long been available. You can target by country or a number of more granular options such as airport, DMA, neighborhood. You can also target by custom radius, including around your store locations.

Demographics (Dg) targeting works by exclusion or with bid adjustments. In Search, Google supports age, gender and household income, while Microsoft supports age and gender. Keep in mind, there are limitations to demographic targeting because the engines aren't always able to profile user demographics. That's why you'll see plenty of data lumped under "Unknown" in the demographics reporting.

Audience targeting in search first began with basic web visitor retargeting (Aw). Advertisers can also retarget their customers with customer match (Am) lists uploaded manually or from CRM. Companies with YouTube channels can retarget their video viewers in search with Youtube Users (Yt) audiences.

If you're using Google Analytics, Google may also generate what it calls Smart Lists (SI). These are machine-learning driven remarketing lists that use signals like location, device, browser, referrer, session duration and page depth to create audiences of your site visitors deemed likely to convert when they come back. If your site generates at least 500 monthly e-commerce transactions and 10,000 daily pageviews, the list will be built based on your own conversion factors. For sites with less visit and transaction data, Google models these audiences based on data from similar businesses that opt to share their anonymized conversion data with Analytics.

combine affinity and intent targeting and are available for Google Display and Video campaigns.

You can choose to target or observe audiences at the campaign or ad group level. With the Observation option, you can add audiences and see how they perform without limiting your targeting. Exclusively in Microsoft Advertising, advertisers can tap LinkedIn profile data to target users based on company (C), industry (Id) and job function (Jf). Dynamic Ad Targets (Dt) are used only with Dynamic Search campaigns. The targets can be identified based on landing pages you're targeting in your Search ad groups, categories based on your website content, specific URLs or pages tagged with custom labels.

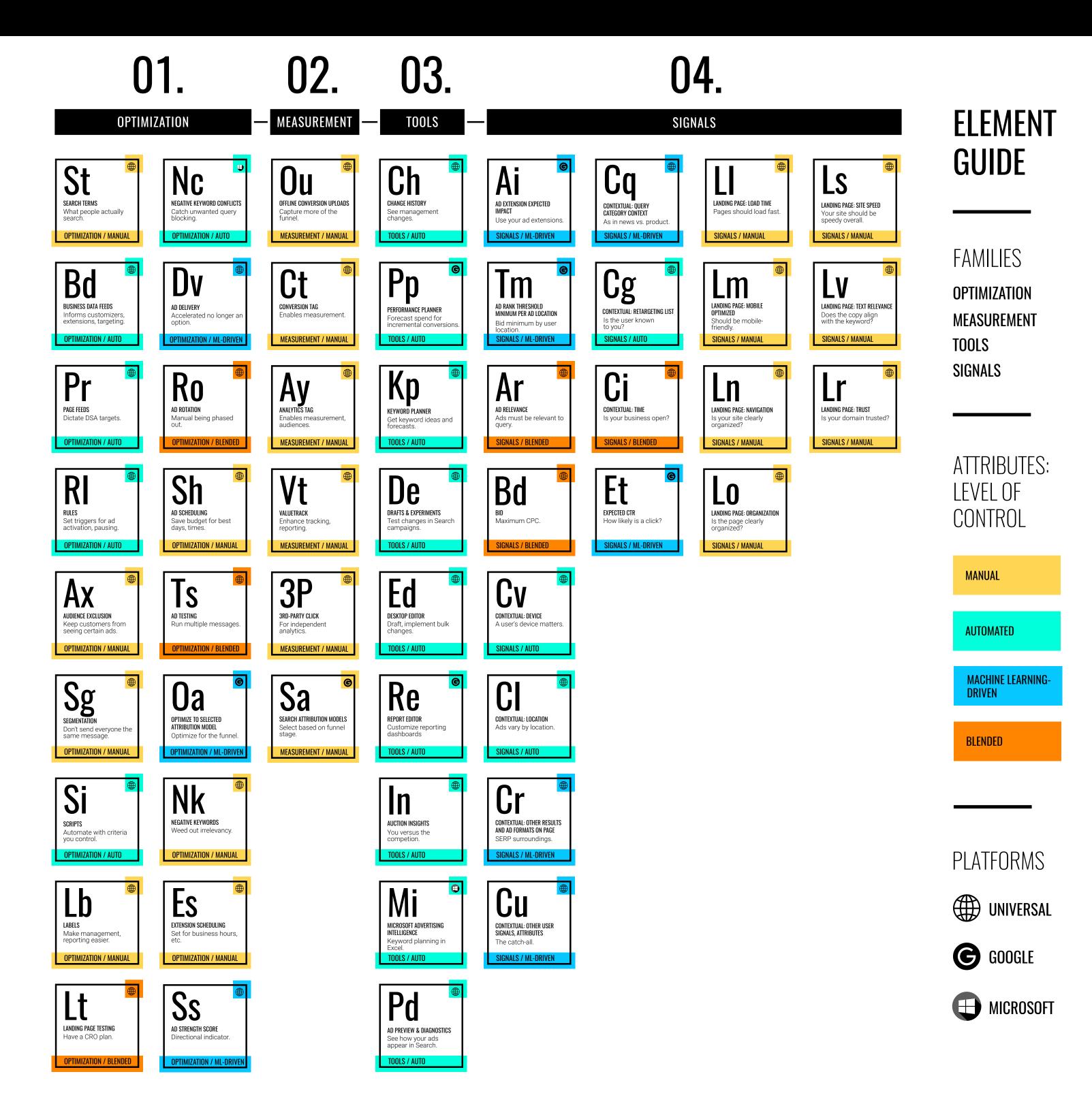
Be sure to look at your Network (Nw) targeting in your campaign settings. Both Google and Microsoft have search partner networks that enable your ads to show in search results of third-party and owned sites. In almost all cases, you will not want to opt into the Display Network in your search campaigns as user behavior and outcomes on those channels is very different. (See the Placements section at the end of this report for more details on network targeting.)

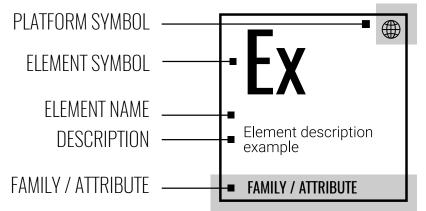
IP targeting (Ip) is for exclusions only and probably not something you're going to use often. You can exclude your competitors' IPs, for example, to try to keep them from seeing your ads.

Finally, you can target by Language (La). On the Search Network, you can target one, multiple or all languages. It looks at signals such as the user's query language, settings, and other language signals identified via machine learning algorithms. An important note: The search engines will not translate your ads for you.

## Search Engine Land PERIODIC TABLE OF PPC OPTIMIZATION & MEASUREMENT (Appendix A)

Now that you have your campaigns set up and running, it's time to dive into optimizing and measuring success. Here we'll also look at the tools available in the platforms and the signals the search engines take in during the auction.





## OPTIMIZATION

How do you ensure your campaign performance is both productive and efficient? A number of levers exist to help you optimize your campaigns to achieve their goals.

Search terms (St) are the actual queries that trigger your ads. You should schedule regular reviews of your search terms reports as a part of your routine, particularly as Google's close variant matching continues to expand. Look to see that a search term is not triggering ads in more than one ad group. You can then add negative keywords (Nk) to keep ads from triggering on irrelevant or unprofitable queries. Microsoft Advertising also offers negative keyword conflict (Nc) reports which can help ensure your keyword lists aren't blocking queries for which you do want your ads to appear. You can use those reports as references for your Google campaigns, too.

Audience exclusions (Ax) can often be as important as determining which audiences to include. For example, if you have a promotion for new customers, you'll want to exclude your audience of existing customers from that campaign.

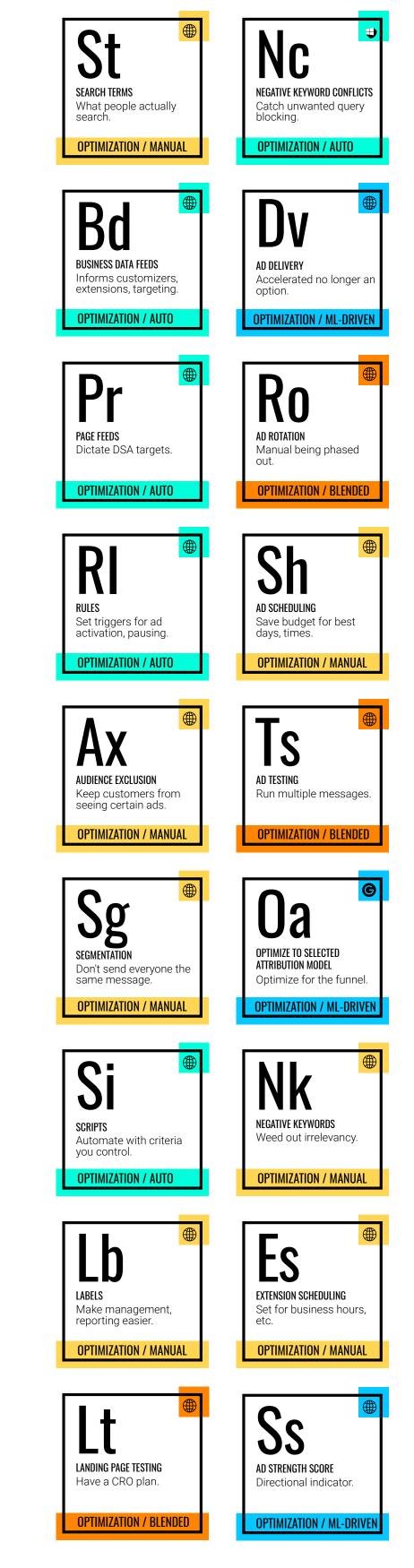
The idea behind Segmentation (Sg) of "Don't send everyone the same message" seems obvious, but it often doesn't get prioritized in the optimization phase. When you set up your retargeting campaign, you likely had different messaging than in your prospecting campaign It's after the campaigns run and accumulate data that you can start slicing and analyzing the data to see where you might test different audience segments with refined messaging. change budgets based on the criteria you set.

Labels (Lb) can be used to aid in reporting, but we've included them in optimization because they can also be used to trigger Scripts and rules. For example, you can label certain ads as promotional and build a Script or rule to have them turn on and off at specific times.

Campaign-level ad scheduling (Sh) can ensure your ads are showing during your most profitable periods, while ad extension scheduling (Es) can help you tailor your messaging during certain days and times of day.

Landing page testing (Lt) and ad testing (Ts) may look different in the days of autooptimized ad rotation (Ro) and responsive search ads, but they are still critical aspects of campaign optimization.

Ad delivery (Dv) is now fully powered by machine learning. The engines removed the ability to "accelerate" ad delivery to get your ads to show as often and early as possible. This could work well for campaigns with unlimited budgets. The engines now say their algorithms can determine the best times to show your ads.



Business data feeds (Bd) can include ad customizer, ad extension, location targeting and dynamic display ad data. Additionally, the page feeds (Pr) template allows you to define specific webpages to target with Dynamic Search Ads.

Scripts (Si) and rules (RI), supported by both Google and Microsoft, can help you automate mundane management tasks and beef up your optimization efforts. Scripts are built with JavaScript. Build your own or customize one of the dozens of Scripts already built by members of the community to automate tasks such as bidding, pausing ads that don't meet CTR or conversion thresholds, and even bringing in third-party data. Rules are much simpler. You set them right in your account interfaces to automatically make changes based on settings and conditions. Rules can be set to pause or enable campaign elements or In Google, you can assign a search attribution model (Oa) to each of your conversion actions. Note that attribution in Google Ads only captures the role your ads played in a conversion. If you choose a last click attribution model, for example, only the keyword and ad that the user last clicked before converting will get credit. If, however, you choose the linear attribution model, each keyword and ad a user clicked will get equal crédit. This can help you optimize your budgets and ad copy based on how your campaigns influence the customer journey. You'll find helpful overview data in the Search Attribution section in the Google Ads interface.

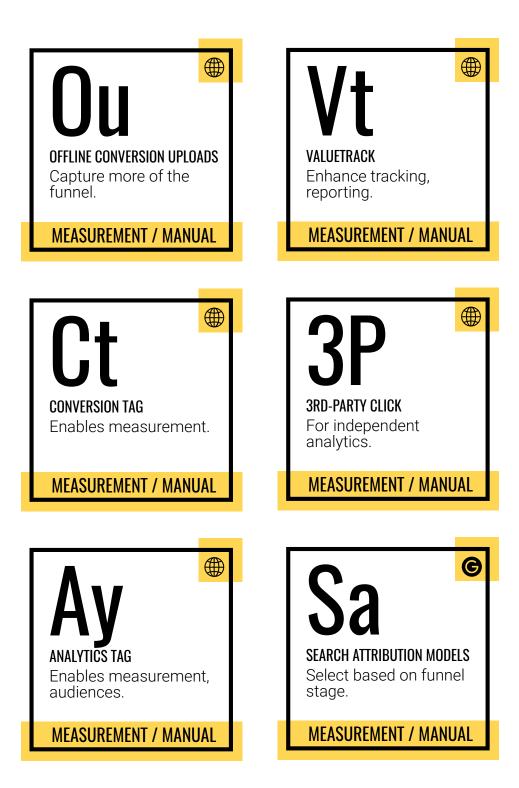
Google and Microsoft have each introduced Ad Strength Scores (Ss) that show when you create or edit a text ad. They can be helpful in identifying where you have missing or redundant elements, but use these directionally and don't fret if you don't achieve a "strong."

## MEASUREMENT

IN ADDITION TO ATTRIBUTION MODELING TO HELP YOU MEASURE AND OPTIMIZE CAMPAIGN PERFORMANCE, THERE ARE SEVERAL TOOLS BUILT INTO THE PLATFORMS TO HELP YOU TRACK AND REPORT ON PERFORMANCE.

Tagging your site and URLs with the Google Ads conversion tag (Ct) and Microsoft Advertising universal event tagging enables you to build audiences and use several of the automated bidding options.

If you have a Google Analytics tag (Ay) on your site and link that account with your Google Ads account, you'll be able to import conversion events, audiences and onsite behavior metrics. Tagging ad URLs is critical for pulling campaign performance data into your analytics program. You can opt to tag your Google Ads URLs automatically for Google Analytics or append UTM codes to your URLs. Additionally, ValueTrack (Vt) parameters, appended in a tracking template, can pass additional details such as device type to your CRM or other analytics program. If you have auto-tagging on in Google Ads, this data is automatically captured in your Google Analytics account.



For example, an interaction is counted for a Showcase Shopping ad when a user expands an ad and spends 10 seconds within the ad's

Third-party click measurement (3P) is more common in programmatic, but Google Ads supports measurement of interactions on Showcase Shopping ads, Local Inventory ads and Model Automotive ads that advertisers can be charged for. (Gallery ads will be added to this list if the format comes out of beta.)

Search attribution models (Sa) in Google Ads can help you get a better understanding of the contributions or assists your campaigns and keywords make in the customer journey -- especially if someone performs multiple searches and clicks on more than one of your ads along their path. As noted in the previous section, this data is limited to ad data only and does not reflect the interplay of your campaigns with other channels. Campaigns that have enough data can become eligible for Google's machine learning-powered data-driven attribution model, which uses custom probability modeling to assign conversion credit to each ad touch point involved in a conversion.

To get a more complete picture of the conversion activity generated by your campaigns, you can upload offline conversions (Ou) captured in your CRM or another system to the ad platform.

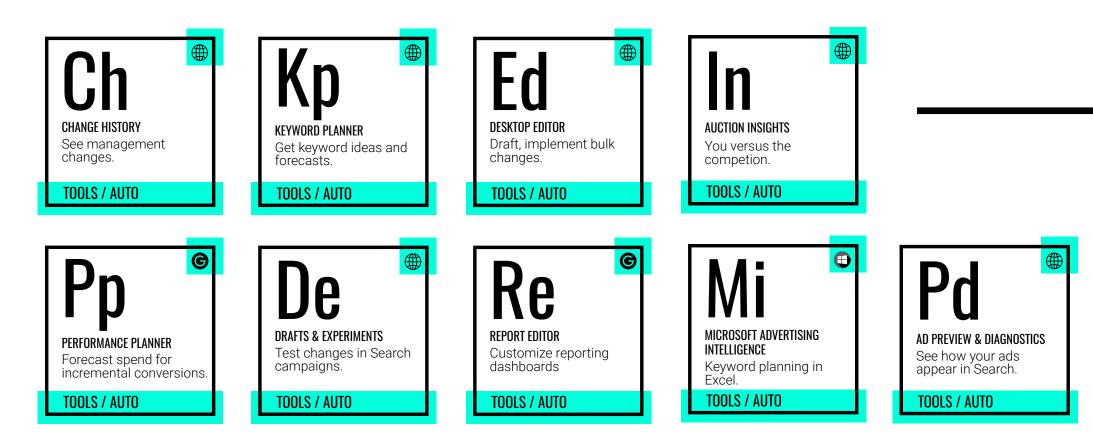
Google-hosted page, or clicks before 10 seconds have passed.

Currently, Marin, Kenshoo and Google Search Ads 360 are the only approved vendors offering this.

# TOOLS

03.

There are a host of tools available from the platforms to assist with management and reporting. Change history (Ch) reports show what types of changes were made and by whom. This information can be helpful when you're trying to troubleshoot changes in metrics. This can also help clients and stakeholders get a picture of the type of management occurring in the account.



Launched in May 2019, the Performance Planner (Pp) in Google Ads is meant to give you suggestions for dividing your budget across campaigns to generate incremental conversions. It will also show you how changes in spend or additional keywords in a campaign might change conversion outcomes. Auction insights (In) in Google and Microsoft will show your historical performance against competitors in your auctions for Search and Shopping campaigns. See impression share, overlap rate, page position rates and outranking share of your domain versus those competing in your auctions.

Both Microsoft Advertising and Google Ads have a Keyword Planner (Kp) tool that lets you find new keywords, see search volume trends and performance and cost estimates based on your account history when available.

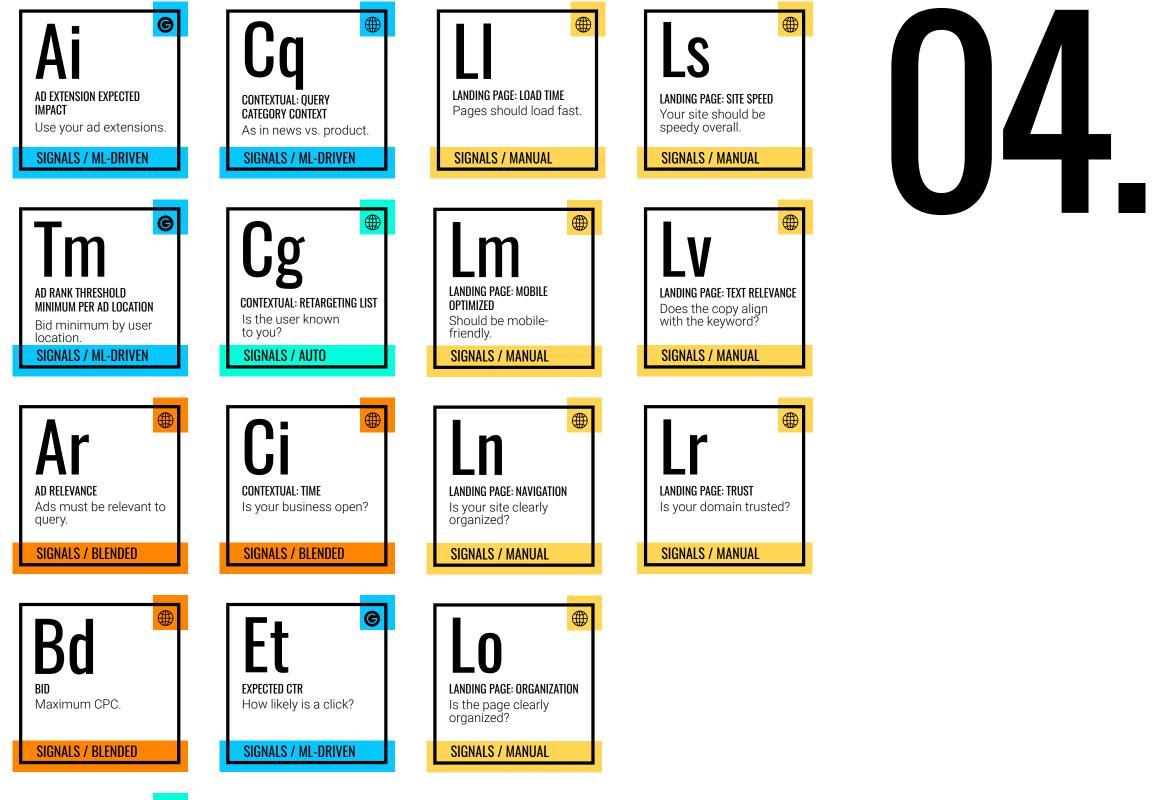
Drafts and experiments (De) (or simply Experiments in Microsoft parlance) can be used to run an A/B test -- of a bid strategy, for example -- on a portion of a campaign's budget and traffic.

Making a lot of manual changes in the account interfaces can be incredibly time consuming. There are bulk upload options, but both Google and Microsoft have Desktop editor (Ed) tools. They're designed for making a lot of changes in bulk and in draft stage. You can share proposed changes with clients and stakeholders as well as see performance data in the editor tools. One thing to note is that they lag behind the web interfaces in terms of feature support, so some updates still need to be made directly in the interfaces. Microsoft Advertising Intelligence (Mi) is an Excel add-in that allows you to perform keyword analysis and expansion for up to 200,000 keywords as well as get bidding insights. Changes can be uploaded directly to your advertising account.

Ad preview & diagnostics (Pd) tools allow you to see if your ads are appearing in the search results for specific keywords without impacting your impression and clickthrough rate metrics. If your ad is not showing, you'll be able to see the reason why.

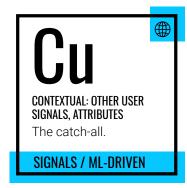
Google's Report Editor (Re) is available from the Reports section in the interface. There are a number of predefined reports available or you can build your own charts and tables with drag and drop functionality. Fun fact: You can type requests into Report Editor just as you can use natural language queries in Google Analytics to get reporting,

# SIGNALS









With machine learning algorithms, the search engines can take in more signals than ever before. Here's a look at signals used in quality score as well the kinds of contextual signals that Google uses in Smart Bidding. Understanding what the engines consider at the time of auction can help inform your optimization efforts.

## METRICS & TOXINS

The number of metrics available in the reporting tools – not to mention custom metric capabilities – can feel overwhelming. The key is to identify the key performance indicators (KPIs) for your campaign based on your goals and the role the campaign is meant to play in the customer journey.

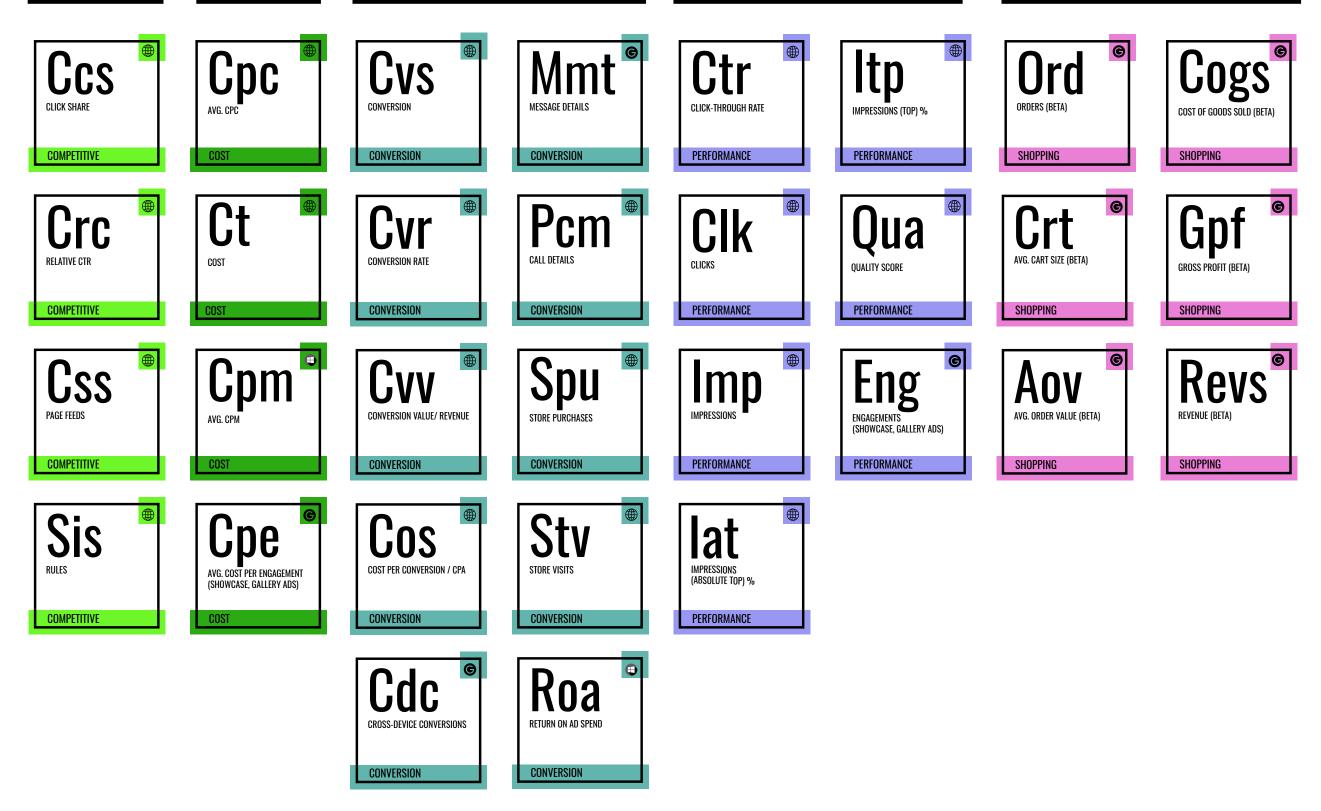
Metrics like click-through rate (CTR) or impression share aren't typically goals in themselves, but are useful indicators of the relevancy of your ads and competitiveness of your bids along with other quality factors.

Quality score is not a KPI and often isn't even an indicator of conversion potential. However, it can be a very useful indicator for identifying areas of opportunity. For example, there are times when you'll see a keyword with a relatively low quality score convert well and high quality score keywords that don't convert at all. For the low quality score keyword, look at which relevancy indicators are below average. What ad copy tests can you run (keep the control ads that are converting running) or landing page adjustments can you make to get those converting clicks at a lower price? From the high quality score, nonconverting keywords, look in your analytics to see if those users are taking other actions on the page that you might not be tracking in your campaigns. What can you learn from that behavior?

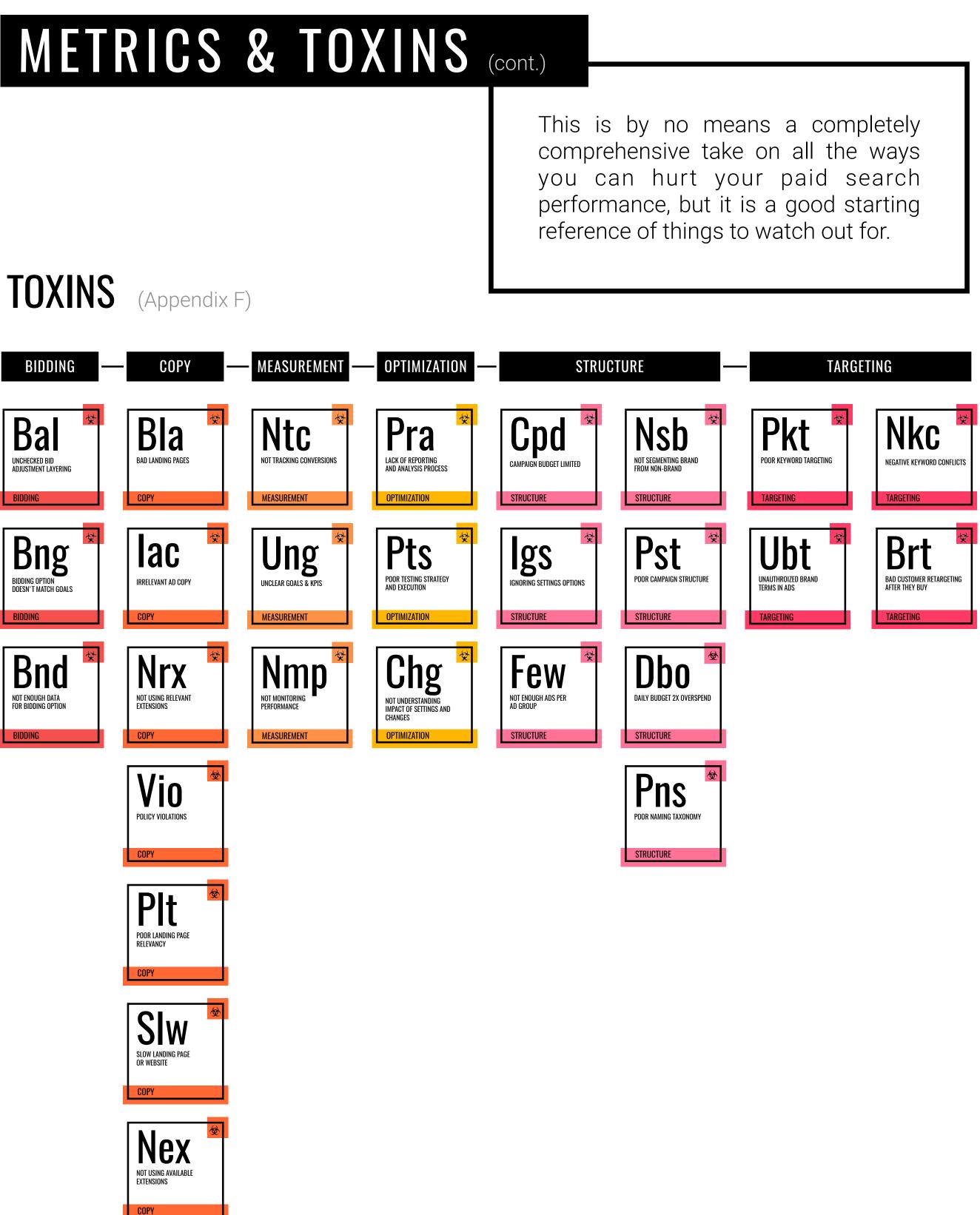
Here's a look at some of the key metrics available in Google Ads and Microsoft Advertising. You can also calculate your own metrics like revenue per impression.

## KEY METRICS FOR SEARCH & SHOPPING CAMPAIGNS (Appendix E)

COST







STRUCTURE	



## PLACEMENTS

With the regular expansion of inventory sources across Google properties, it can be hard to keep track of where your ads may be appearing. Google's automated campaign types each serve ads across multiple Google properties, automatically. But Search and Shopping campaigns can also show far beyond the main search results pages.

Opting into the Google Search Network means your ads can show with the search results on Google and non-Google sites. This includes search results pages on Google Play, Google Shopping, Google Images, and Google Maps. YouTube is part of the Google Search Network as well, though Google counts it as a Search Partner, one of hundreds of Google and non-Google websites included in the Search Network. For Shopping ads, the Search Network also includes third-party sites that display and link to products for sale when you opt into showing your ads there.

To help you keep tabs on what can show where, here's an at-a-glance guide:

## **PLACEMENTS** (Appendix G)

Campaign Type	Search	Search: Knowledge Panels	Search: Local Pack	YouTube	GDN	Discover	Search Partners	Images	Maps	Gmail	Assistant
Search	X		X		X		X		X		
Local	X	X	X	X	X				X		
Smart	X				X				X		
Discovery				X		X				X	
Video				X	X		X				
Shopping	X	X		X		Х	X	Х			
Smart Shopping	X	X		X	X		X	X		X	
Арр				X	X	X					
Gmail					X					X	
Shopping Actions	X			X				X			X
Local Services	X										

\*Local service providers participating in the Google Guaranteed program are eligible for the Assistant, but these are not paid listings.

For its part, Microsoft Advertising launched the Microsoft Audience Network (MSAN) in 2018. Advertisers can run separate MSAN campaigns (beta) or extend their Search campaigns to that inventory, which includes MSN.com, Outlook, Edge and syndication partner sites. The Microsoft Graph powers the audience targeting available.



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