PPC Campaign Automation
"For the rest of us"

State of Search – Dallas
Nov. 18, 2013
Andrew Goodman

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(we live
at the
center
of the
black box)

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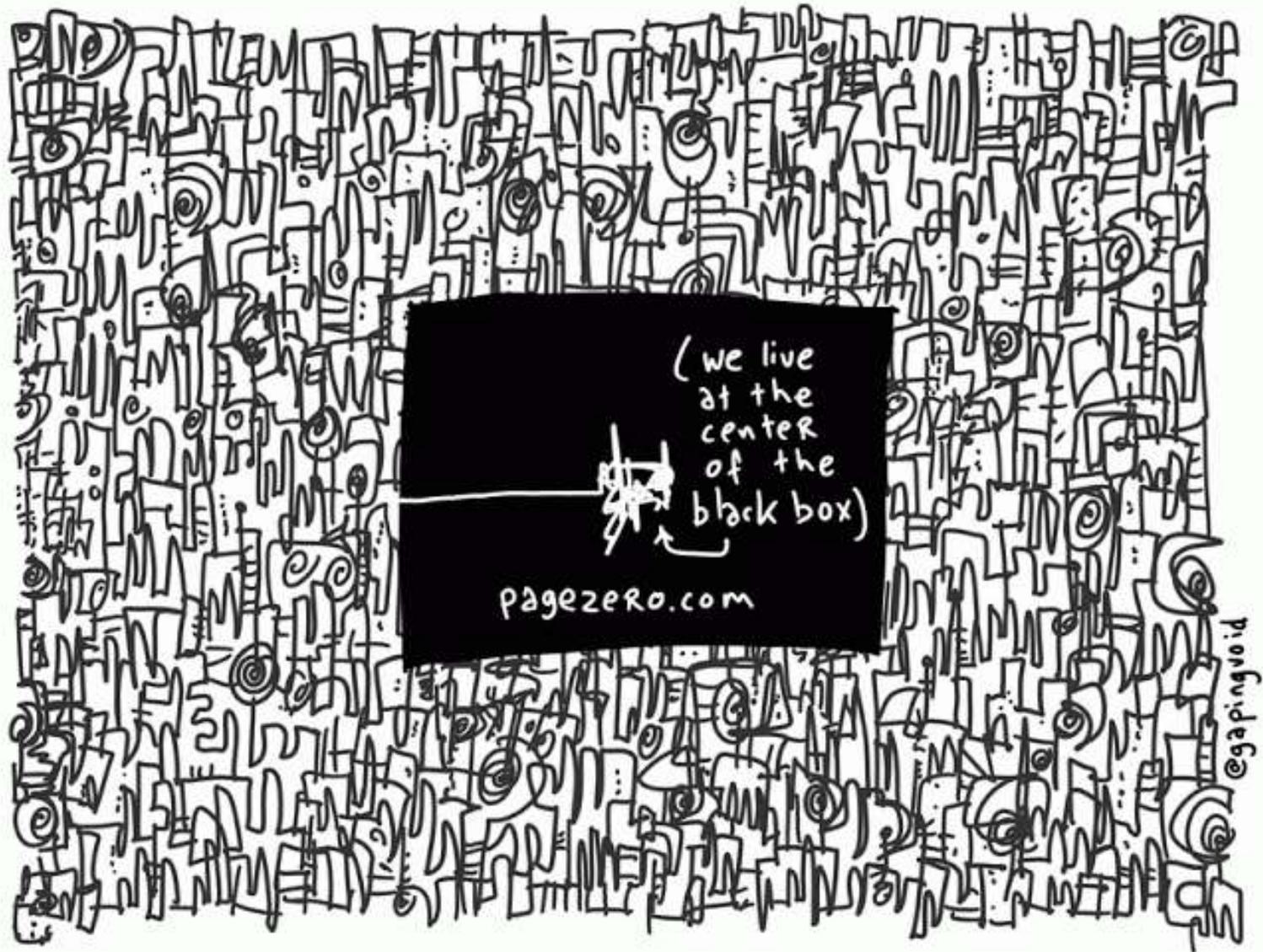
How did we get here (and where is here)?

Push Button   **Receive Bacon**
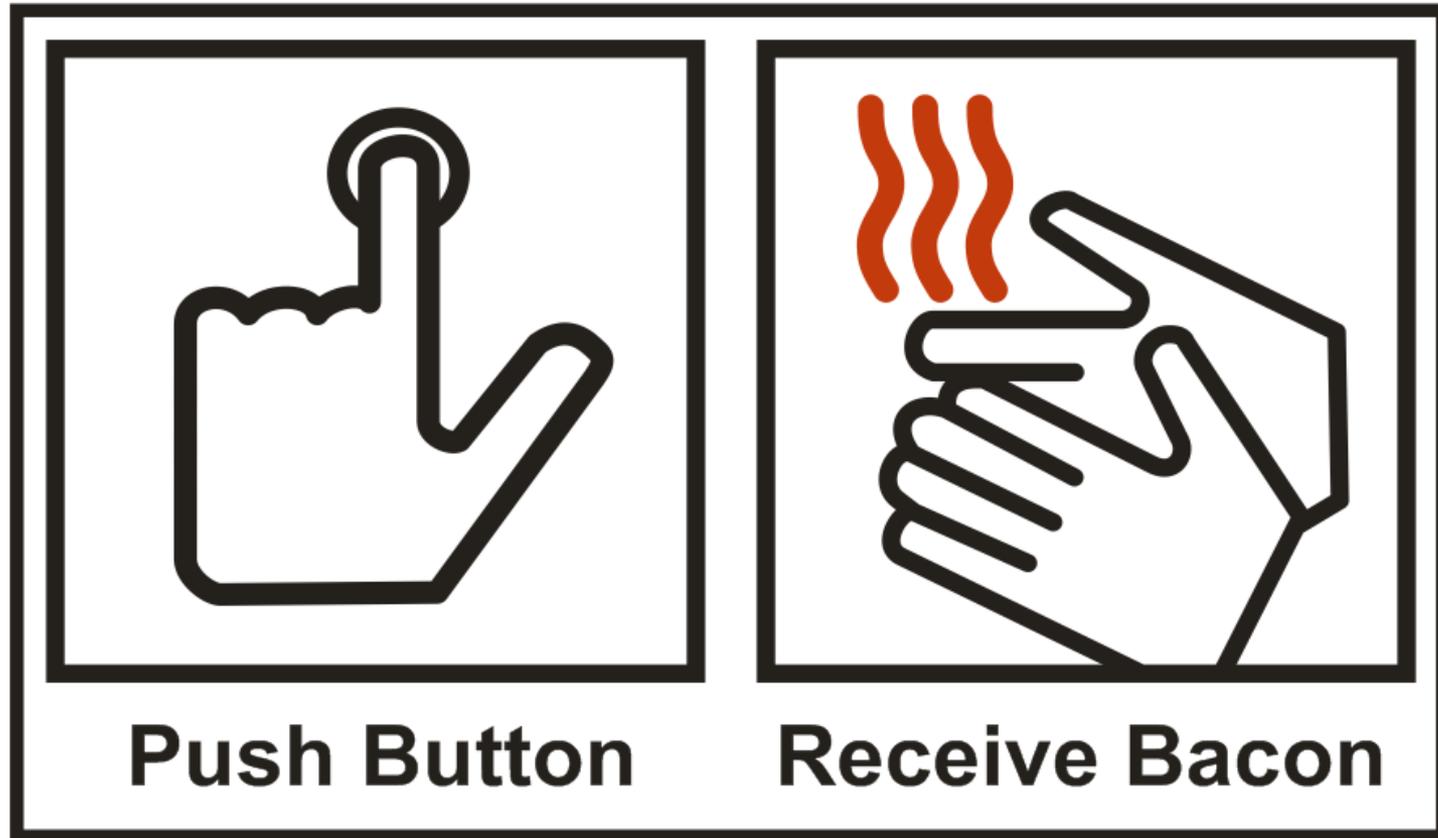
- "Stabby-Finger Steve" = account management?

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Sometimes I get scared (I admit it)

- "We don't need this many people to watch machines make ketchup."

Eisenbergs: 80% of PPC Pros Redundant!?!

PPC Pro – You're Being Replaced

f Like 129   Tweet 213   g+1 77   in Share 110

You're fired, laid-off, downsized, terminated, made redundant, rightsized, pursuing other opportunities, discharged, dismissed, pink-slipped. Search Engine Marketing professionals are becoming redundant, replaced by technology, so they should prepare themselves to hear those words.

In the next 3 years, 80% of PPC professionals will be replaced by an algorithm.

Those that won't, will be the few who already provide high value or find ways to increase their value to clients. There will simply be fewer positions and high value change. **If you are a PPC pro don't imagine yourself immune; please read on**.

But software vendors have plenty to fear, too. 1. Consolidation. 2. Google.

Column: Paid Search Column

Paid Search Automation: Choosing A Vendor

Mar 9, 2009 at 12:19pm ET by Andrew Goodman

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In the previous two columns, I covered questionable assumptions and inconvenient truths related to bid management automation in paid search. With all those reservations and concerns out of the way, if you're in the market for a solution vendor, you still have to form a relationship with one that meets your needs. Let's look at some criteria that might help you choose.

- "While not quite winner-take-all, the sector cries out for leadership." - *Me, 4.5 years ago.*

How are marketing automation vendors doing?
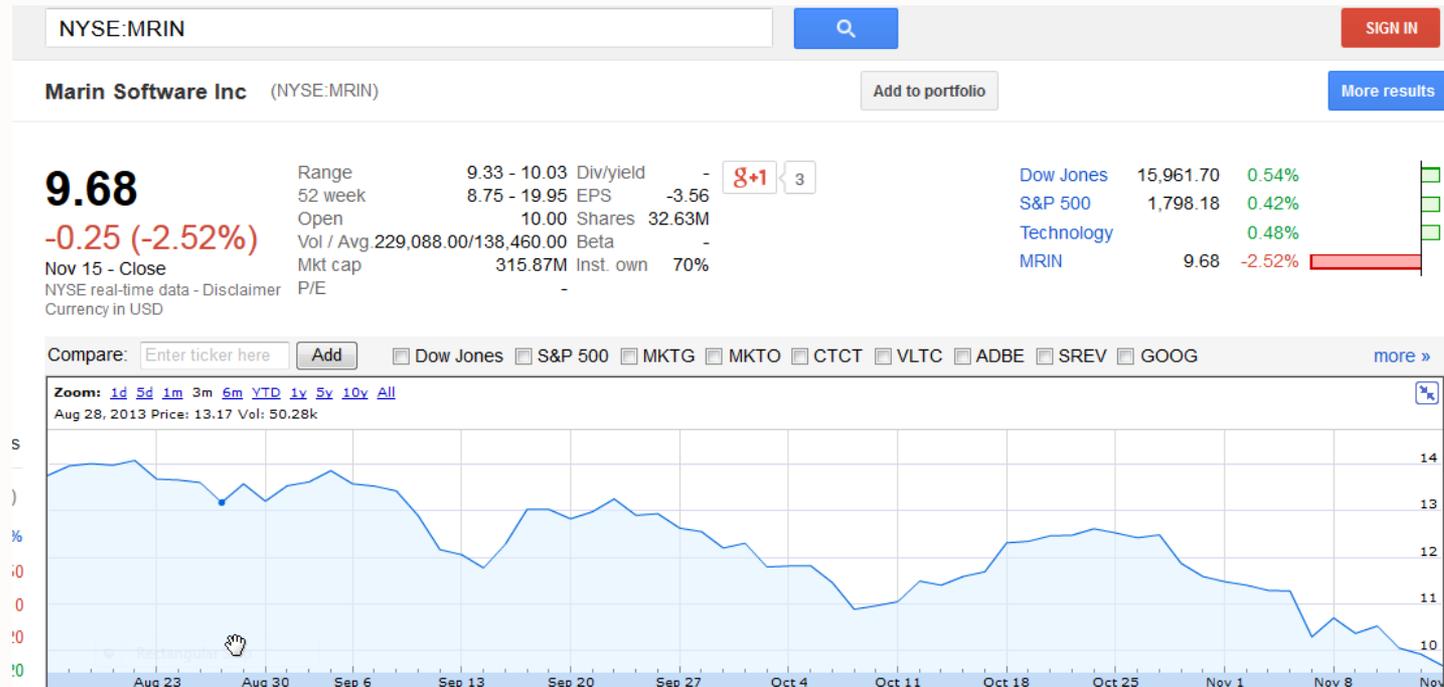
- In general, great. SaaS scales and can transform outdated practices.
- But is the tech good? And are they also de facto agencies?
- How relevant are they to your situation? In Q3 2013, Marin Software had **610 customers**, up from 502 in Q3 2012.
- Accumulated deficit: $105 million.

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PPC bid management: "Unemotional baggage"?

- First bid management software was invented to fix a single problem: "bid gaps".

- With a single feature change in the auction (bid discounter), such software became obsolete.

- Pain of managing "multiple PPC engines" gave way to a "Google first" world

- These third party solutions were often byzantine and proprietary; best *they* run it for you. Now you've picked them as your agency.

But for the most part, for most of us, more automation is long overdue.
(Me talking to myself:)

- I am lazy?
- I am "smart"
- I am impetuous & driven by peer pressure
- Clients are impatient
- I am hard-working (just the flip-side to "lazy"?)
- I am susceptible to cognitive load and ego depletion
- I am susceptible to the narrative fallacy, hindsight bias, etc. etc. etc.
- As smart as I am... I am not fully RATIONAL

The "storyteller's paradox"
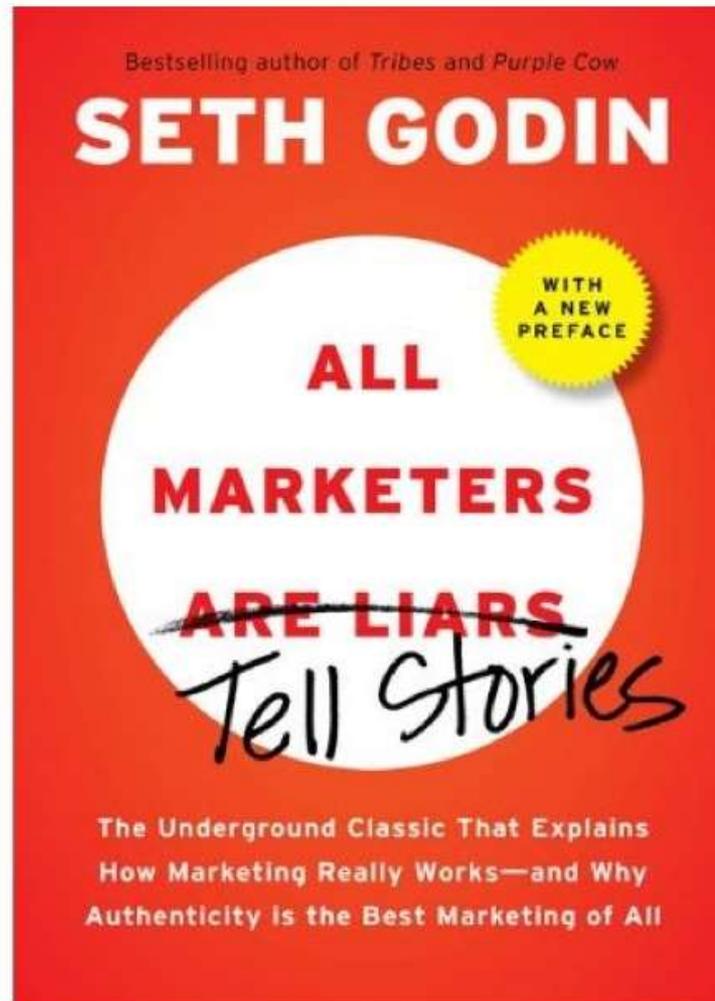
Narratives contaminate computation

- ANTI-NARRATIVE: Human tendency to err by fabricating stories about everything we see.
  - Nonperforming segments are "naughty": we overreact (pause, spend less, etc.)
  - Morality: click "fraud" vs. well-priced clicks / market
  - Past performance is just that: past. Is it the best predictor?
  - Vanity: Getting too caught up in hoping one's ad creative is the best
  - Action for its own sake, because you are the hero in all of your narratives: "dayparting will fix it!" (Sometimes, it will. Prove it.)

Complexity has increased. Has your level of innovation?

- Proliferation of new account settings
- Murky automation options: "enhanced" CPC?
- Match type evolution
- Enhanced campaigns
- Improved attribution / shifting attribution
- Improved Google Analytics overall
- Improved machine learning (keyword queries)
- Quality Score
- Are you data-driven enough?
- Do you use the appropriate workflow to the task?
- Do you make your own rules?

Be the Michelangelo of Rules

How automated and how transparent?
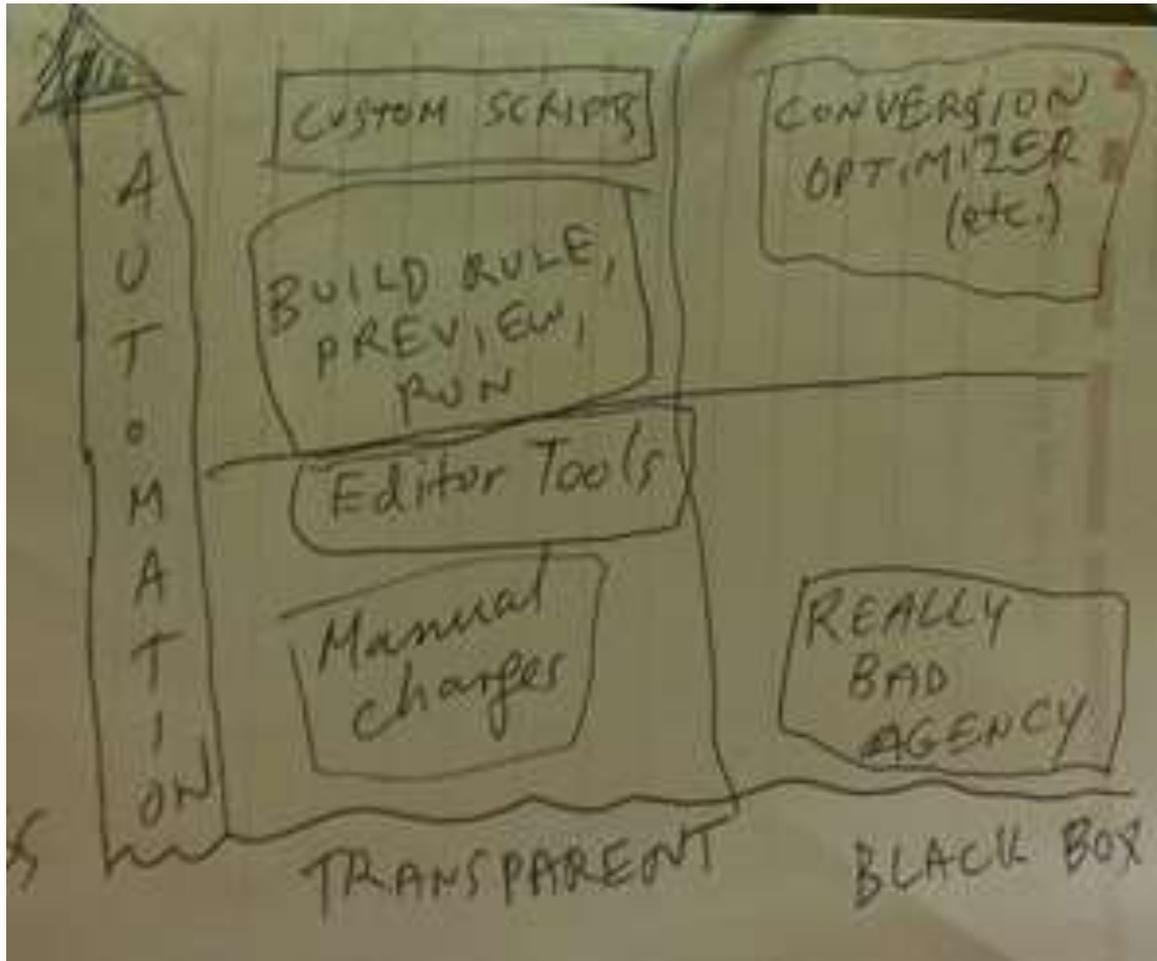
Workflow?

- Generating big GA reports, pondering them, making appropriate changes: valuable but slow

- Eyeballing segments and fixing obvious problems: surprisingly effective, but highly unscientific

- Rebidding 1,000's of keywords as seasons or auction conditions change: unsustainable

- Consider and build rules, then act "in bulk" on rules.

  - In AdWords, 2 methods

  - Third party tools

  - Not counting black box tools (inside & outside AdWords)

OK, so let's start with the t-shirt people. Let's make some rules.

If	Avg. Pos. > 3.8	Then	Increase Bid by 20 %
And	Conv. >= 1		
And	AdWords ROAS > 180 %		
And	Clicks < 150		

Changes would apply to 272 mat...

Resulting bid changes preview **Export to excel**

Add/Remove Columns Pages:

count to access its reports

Clicks	Impr.	Cost	Avg. Pos.	Conv.	CTR	Avg. CPC	Cost/Conv.	Conv. Rate	Fre
15	1,352	$5.85	4.75	2	1.11 %	$0.38	$2.92	13.33 %	0.00
85	7,205	$40.49	5.00	3	1.18 %	$0.47	$13.49	3.53 %	0.00
19	485	$10.43	4.04	2	3.92 %	$0.54	$5.21	10.53 %	0.00
14	994	$2.87	4.26	2	1.41 %	$0.20	$1.43	14.29 %	0.00
17	3,188	$13.36	4.52	1	0.53 %	$0.78	$13.36	5.88 %	0.00
65	5,314	$12.80	4.14	2	1.22 %	$0.19	$6.40	3.08 %	0.00
23	1,794	$26.57	7.17	1	1.28 %	$1.15	$26.57	4.35 %	0.00
7	820	$3.60	4.62	1	0.85 %	$0.51	$3.60	14.29 %	0.00
2	153	$0.43	5.82	2	1.31 %	$0.21	$0.21	100.00 %	0.00
10	701	$7.17	6.01	1	1.43 %	$0.71	$7.17	10.00 %	0.00

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Wait a minute… doesn't AdWords now have an "Automate" button?

Create rule: **Send email for ad groups**

Automated rules can save you time by operating across your account based on criteria you specify. Learn how to create rules, and s
Rules aren't guaranteed to run in some cases, so we recommend regularly monitoring the rules you set up. Learn more

Apply to ? · All but deleted ad groups in all campaigns ▼

Automatic action · **Send email for ad groups**

Requirements ? · Cost ▼ · > ▼ · $ · 30 · ✕

Conv. value / cost ▼ · < ▼ · 1.7 · ✕

+ Add another

Frequency ?
(GMT-08:00) Pacific Time · Weekly ▼ · Tuesday ▼ · 07 AM ▼ · using data from · Last 60 days ▼ · ?
· day of week · hour
Note that a rule can start running at any time within the hour you select.

Rule name · Send email for ad groups

Preview results · Previewing is recommended before saving

Save · Cancel

Using AdWords filters to bid... and more (why & how)

Filter #1:
"Quality Score as Wise Tea Leaves"

- Clicks > 4
- Sort campaign in order of Quality Score – low to high
- Pause duds
- Or bid up, down, or no change, based on:
  - Judgment of likely commercial intent or "bleeder"
  - Assumption that Quality Score is currently wrong
  - Wish to increase impressions to "give keyword a fair shot"
  - Wish to decrease impressions to avoid saddling the account with a poor QS history

Filter #2: Scapegoating Broad Match!

Filter #3:
Keyword intent myth-buster

		Keyword	Ad group	Status	Max. CPC	↓Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. Pos.	Conv. (1-per-click)	Cost / conv. (1-per-click)	Conv. rate (1-per-click)
	●	Total - all campaign				239,373	18,710,071	1.28%	$1.03	$247,334.81	3.1	4,834	$51.17	2.02%
		Total - all filtered keywords				50,142	1,655,978	3.03%	$1.24	$61,939.09	6.4	1,112	$55.70	2.22%
		Total - Search				222,991	8,234,544	2.71%	$1.08	$241,522.85	3.9	4,760	$50.74	2.13%
		Total - Display Network				16,382	10,475,527	0.16%	$0.35	$5,811.96	2.5	74	$78.54	0.45%
		Total - all campaign				239,373	18,710,071	1.28%	$1.03	$247,334.81	3.1	4,834	$51.17	2.02%

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Filter #3A: Check SQR by theme

	Search term	Match type ?	Added/Excluded ?	Ad group	↓Clicks ?	Impr. ?	CTR ?	Avg. CPC ?	Cost ?	Avg. Pos. ?	Conv. (1-per-click) ?	Cost / conv. (1-per-click) ?	Conv. rate (1-per-click) ?	View-through conv. ?
☐		match			0	0	0.00%	$0.00	$0.00	0.0	0	$0.00	0.00%	0
☐	what is dried sage	Phrase match	None	DSA 1	1	1	100.00%	$0.42	$0.42	1.0	0	$0.00	0.00%	0
☐	what is the epa and dha ratio of organic raw coconut oil	Phrase match	None	DSA 1	1	2	50.00%	$0.43	$0.43	3.0	0	$0.00	0.00%	0
	Total - all filtered search terms				692	2,975	23.26%	$0.36	$245.93	2.0	5	$49.09	0.72%	0
	Total				0	0	0.00%	$0.00	$0.00	0.0	0	$0.00	0.00%	0

Go to page: 1   Show rows: 200 ▾ |◁   ◁   1 - 200 of 338   ▶   ▷|

Filter #4: Breathe life into sleepy keywords

	All but deleted keywords ▼		Segment ▼	Filter ▼	Columns ▼											
	▼ Filter															
digital photo prints online	Main Campaign	Photo Printing	⊡ Eligible	CA$1.72	115	6,885	1.67%	CA$1.32	CA$151.54	4.1	3	CA$50.51	2.61%	3/10	119.8	0.8	0	0.00
buy photo prints	Main Campaign	Photo Printing	⊡ Eligible	CA$1.55	111	9,150	1.21%	CA$1.49	CA$165.72	4.9	2	CA$82.86	1.80%	6/10	103.2	0.6	1	1.00
acrylic printing	Main Campaign	Acrylic	⊡ Eligible	CA$0.88	111	8,202	1.35%	CA$0.70	CA$77.29	4.8	2	CA$38.64	1.80%	6/10	328.2	4.2	0	0.00
online photo printing services	Main Campaign	Photo Printing	⊡ Eligible	CA$1.51	108	6,252	1.73%	CA$1.25	CA$134.82	5.0	4	CA$33.70	3.70%	6/10	110.0	0.8	1	0.67
photo printing	Main Campaign	Photo Printing	⊡ Eligible	CA$2.07	99	11,191	0.88%	CA$1.42	CA$140.60	4.7	3	CA$46.87	3.03%	6/10	1,045.9	7.4	2	0.67

- Jackpot! 82 keywords found… drifted "off radar"
- Big enough to move the needle, small enough to decide on one by one
- Over 60 of these needed to be bumped up

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Filter #5: Poor Engagement Long Tail: avg. visit less than 15 secs.

Custom alerts sunsetted; instead, accomplish same using Automate

Create rule: **Send email for campaigns**

Automated rules can save you time by operating across your account based on criteria you specify. Learn
Rules aren't guaranteed to run in some cases, so we recommend regularly monitoring the rules you set up. Learn more

Apply to [?]   All enabled campaigns ▼

Automatic action   **Send email for campaigns**

Requirements [?]   Impressions ▼   = ▼   0   ✕

+ Add another

Frequency [?]   Daily ▼   12 PM ▼   using data from   Previous day ▼   [?]
(GMT-05:00) Eastern Time
                                 hour
Note that a rule can start running at any time within the hour you select.

Rule name   Alert for Zero Impressions

Preview results   Previewing is recommended before saving

Save   Cancel

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Which KPI? When is test won?

Machine learning to "hack" display auction tendencies, and to target better than Google

adMetrica works with granular grid of campaigns, ad groups, & placements, with rapid testing & iteration
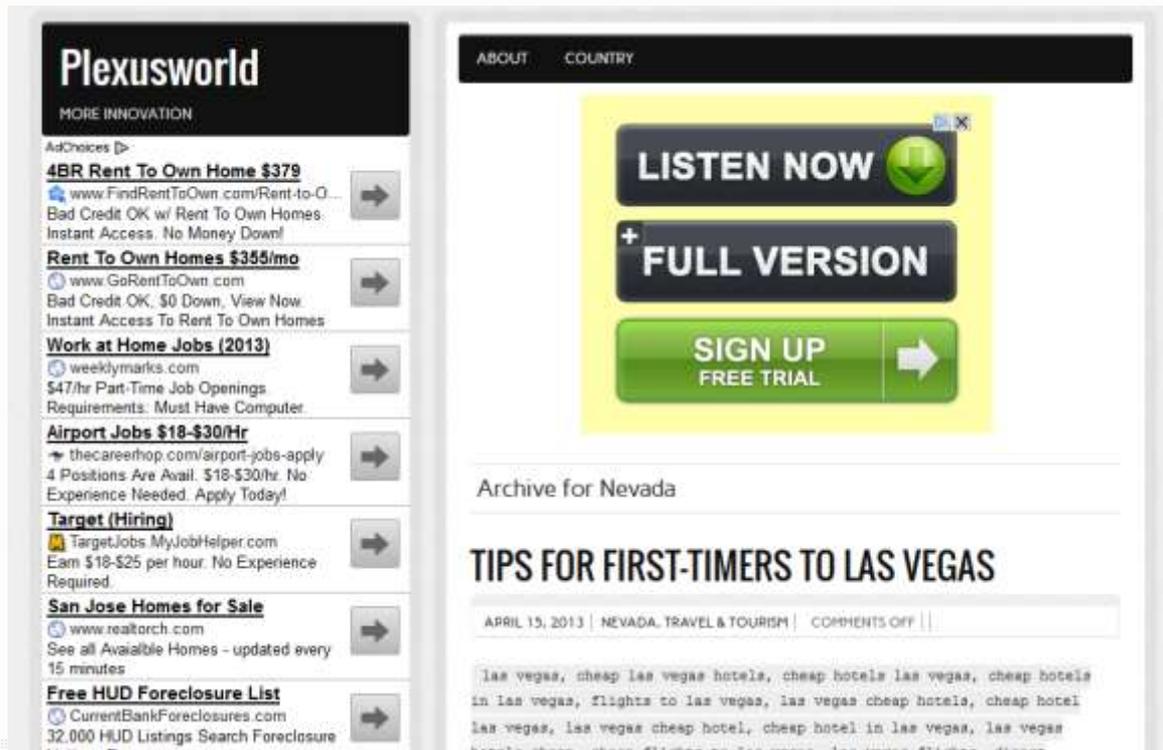
Save time reporting? SaaS Drives Profitable Business Models in Most Professions Today (Mktg Agencies Included)

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Posterjack - Monthly Report

Posterjack > Main Campaign > Main Campaign (AdWords)
Date range : 01/07/2011 - 30/11/2012
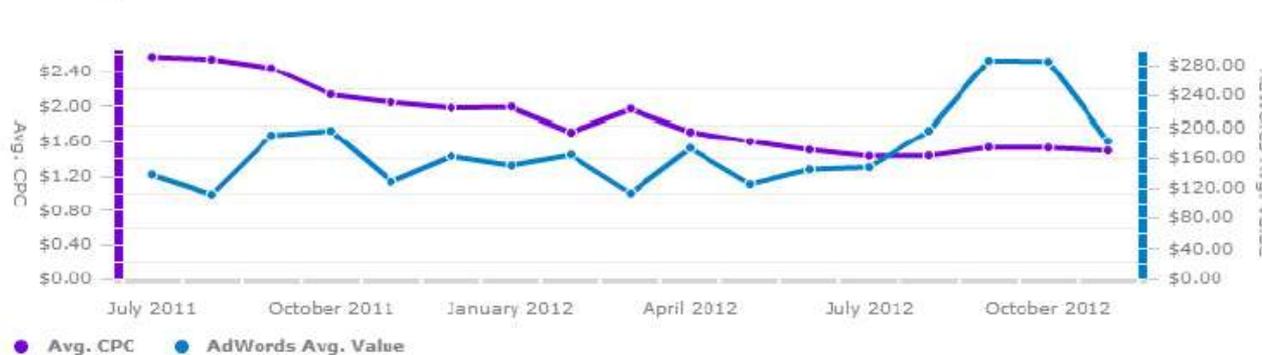
CPC and Avg. Value Trend - Canvas

We continue to fight for more reasonable CPC's in this vertical, reaching $1.50 in November.

On a separate issue, average order sizes fell back from previous hights, but are still robust. The decline was no doubt tied to strategies intended to generate higher volumes: promotions and discounts.

The black box makes you fragile?
The case against Conversion Optimizer

- After removing CPA bidding (Conversion Optimizer), note how many ad positions are 1.1 or 1.0…

- Only you're "biased" in favor of **you winning**

- Check SQR. Note extent to which CPA bidding achieves its goals by cannibalizing across ad groups & campaigns, "borrowing" conversion from brand kw's.

- This type of bidding scheme helps more if you have very weak campaign organization, or are particularly lazy.

- Sadly, it trains you not to look inside the box.

Special topic: labels vs. campaigns

- How to handle seasonality?
  - Constantly "chase" bids, rebidding based on recent behavior. Is this the best way to do it?
  - That might work well in conjunction with "labels" as you can include labels in filters and and automation and will be included in a future release of the AdWords API
  - Bid proactively based on known seasonality
- Proactive bid factors could be achieved using either the ad scheduler or the "country" or "region" factors in Enhanced campaigns
- These are set at the campaign level
- Does poor campaign structure hinder seasonal strategy?

The long tail of international customers: geobidding to 100+ countries

Avg. CPC	Conv. (1/click)	Cost/conv. (1/click)	Cost
$1.03 (– 11.20%)	**4,176** (+ 14.20%)	**$49.44** (– 12.10%)	**$206,477.22** (+ 0.40%)
$1.16	3,656	$56.24	$205,618.74

☐	Ireland	– 31%	1,010	12,888	7.84%	$1.09	$1,105.07	2.4	23	$48.05
☐	Argentina	– 35%	843	10,673	7.90%	$0.55	$463.99	2.8	8	$58.00
☐	Georgia, United States	– 8%	704	23,623	2.98%	$1.59	$1,118.89	3.3	18	$62.16
☐	Spain	– 35%	676	18,225	3.71%	$0.65	$440.97	3.9	8	$55.12
☐	France	– 39%	621	37,144	1.67%	$0.84	$522.51	5.1	6	$87.08

International sales have risen from 35% to 42.5% in the past year; formerly a loss, now a profit center.

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Never-ending evolution in automation: what about geo-seasonality?

- Manual bid factor adjustments are OK for now for mobile and geo segments
- At some point we'll need help (automation)
- This shouldn't just be for "high end" advertisers
- Example: travel client
  - UK is strong in most campaigns
  - Then performance falls apart
  - Same goes for Australia – want to take certain trips during their winter but not their summer
- There is constant flux in behavior, and it goes beyond just keywords…

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There's lots of stuff to worry about. Obsolescence, risk, Google… bosses… competitors… scared yet?