

LUMIO



The Performance Marketing Efficiency Playbook



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Actionable Advice From PPC Experts

Mastering Search & Shopping Ads:

From Clicks to Conversions, with **Yoann Ferrand**

Mastering Display & Video Ads:

From Awareness to Action, with Silvio Perez

Mastering Performance Max:

Breaking the ROI Barrier, with Miles McNair

Mastering Paid Social:

Unlock The Power of Targeted Ads, with Fiona Bradley



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James Deeney

James is the Content Manager at Lunio, primarily covering the latest developments and trends in digital marketing, PPC strategy, and ad fraud. He specialises in SEO, copy that converts, and podcast production.



Fiona Bradley Founder of FBComms

Fiona was named Social Media Business Woman of The Year 2023, and has worked on campaigns for Coca-Cola, the NHS, Rolex and many more. A committee member for the After Work Club and Guest Lecturer at Durham University, she has a proven track record of delivering outstanding campaign results.



Miles McNair Founder of PPC Mastery

Miles has worked with 100+ ecom brands and profitably spent >€50M on Google Ads. Unlike agency owners or 'gurus', he actually manages Google Ads campaigns every single day. Everything he teaches is based on real, practical experience.



Yoann Ferrand Founder of In-House Partners

Yoann is currently a PPC Consultant at <u>Opteo</u>. Formerly PPC Manager at Decathlon UK, he helped scale the brand's paid search strategy, ultimately reaching 10.80 ROAS. Yoann also runs the weekly PPC News newsletter on LinkedIn where he shares the latest developments in the industry with more than 5k subscribers.

About Lunio

<u>Lunio</u> is a performance marketing efficiency platform that automatically removes bots and fake ad engagements across all your paid marketing channels – including Google, Bing, Meta, LinkedIn, TikTok, and many more.

By eliminating fake traffic, 100% of your ad spend is focused on audiences with genuine conversion potential, allowing you to make better campaign optimisations with validated data. No more wasted spend. No more worthless traffic. And no more guesswork. Get complete traffic transparency to help you improve metrics that matter. The way paid media should be.



Silvio Perez Founder of AdConversion

Silvio founded AdConversion, a digital advertising academy, to teach B2B marketers how to scale paid ads for free, regardless of skill level. He has also profitability managed \$100M+ in ad spend for some of the fastest-growing B2B startups and was formerly the Head of Performance & Product Innovation at Metadata.

How to Use This Playbook

As a marketer, are you being asked to "do more with less" in 2023?

Given the current economic climate, many of us are having to adapt to less budget, reduced headcount, and fewer shiny new tools. But revenue targets remain as ambitious as ever.

So in this context, performance marketing efficiency is the key to success. Gone are the days of simply throwing more money at ad networks until goals are met.

If you're one of the lucky ones that hasn't been affected by budget cuts, efficiency still matters. You can become more efficient while increasing marketing spend by ensuring your campaigns are seeing higher profitability ratios over time.

It's time to start spending smarter, not harder. And that's exactly why we created this playbook. With input from more than 15 PPC experts, it covers the processes, practices, and technologies you can put in place to ensure 100% of your paid marketing budget is used wisely.

The first section covers broad overarching topics such as marketing efficiency ratios, ad copy, landing page optimisation, conversion tracking, and A/B testing. The second section goes on to deliver ROAS-boosting tips specific to four key areas:

Search & Shopping with



Yoann Ferrand

Display & Video with



Performance Max with



Miles McNair

Paid Social with



Fiona Bradley

There's no need to progress through the guide in linear order. Just use the table of contents to skip to the sections most relevant to you and bookmark the guide for easy access when you need it again in future.



Know someone who'd find this guide useful? Share the love and pass it on.







What is the Marketing Efficiency Ratio?

Driving performance marketing efficiency means using more of your time and budget on activities that actually generate revenue for your business.

Your Marketing Efficiency Ratio (MER) will help you quantify and track your progress as you implement the changes and optimisations recommended in this guide.

MER is a calculation of how much you've spent on paid media in total, and how much revenue you've generated as a result. This gives you a clear overall view of your return on investment:

> Total revenue from paid media ÷ total paid media spend = marketing efficiency ratio

Let's look at a simple example:

Your total spend on paid media is £25,000. From this, you've generated £100,000 in revenue. Applying the MER formula (£100,000 ÷ £25,000) shows that your MER is 4, or 4x spend.

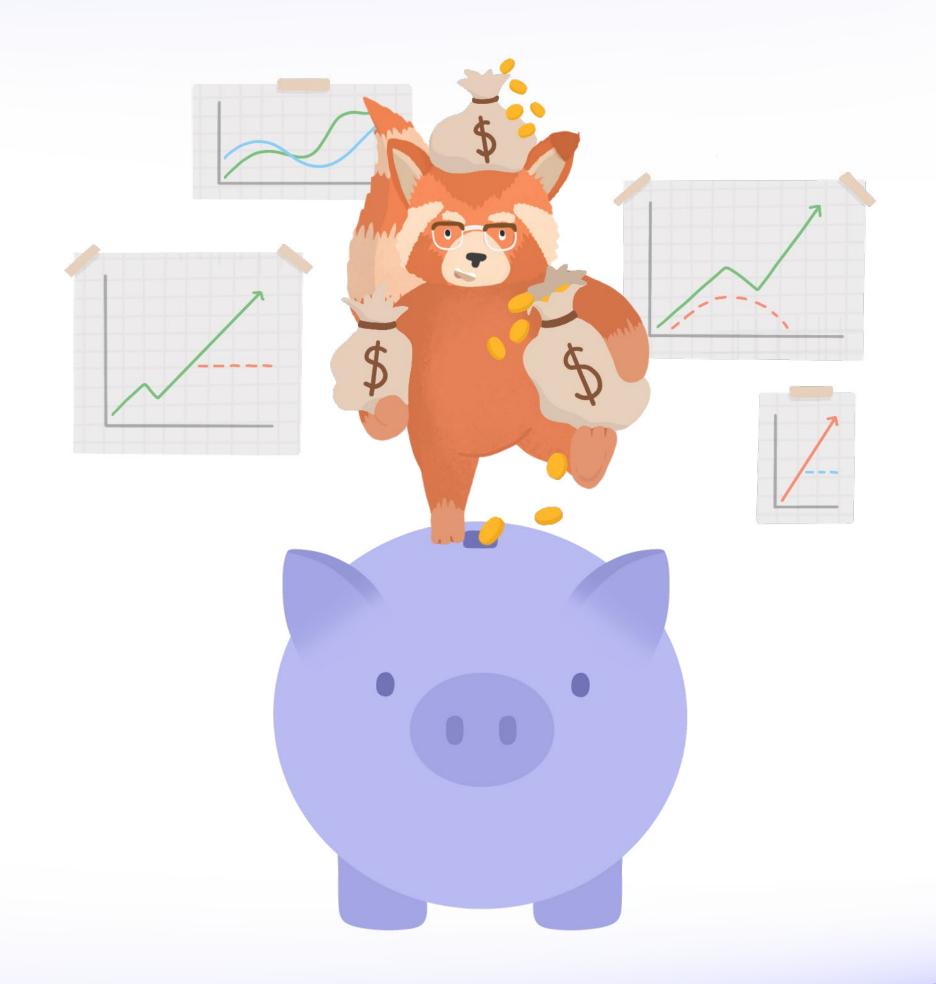
MER is usually expressed as a number, or a number followed by an x (i.e. 3x spend).

What is a Good MER?

Some marketers suggest 3x MER is a good benchmark figure to aim for. But it's all relative. It's highly dependent on your business size, industry, marketing strategy, and profitability goals.

An MER less than 1 represents a loss, so you'll want to avoid this. But in some circumstances, you may accept a negative MER in the short term to see greater gains in the long run.

For example, a brand may spend a lot on display ad campaigns to raise awareness of a new flagship product after its launch. As these campaigns generally have lower conversion rates, it may push down the marketing efficiency ratio. But these losses may be recuperated in the following months through direct sales of the product via paid search and social.



Why Use MER?

You're probably more familiar with closely tracking ROAS on a campaign level than considering MER. So what's the advantage? What does it offer that ROAS doesn't?

In short, a more complete and holistic view of your overall performance.

If you only focus on ROAS at the campaign level, you can lose sight of how certain channels are influencing your marketing performance. Just because it's hard to directly attribute revenue to a particular marketing activity, doesn't mean that it has no impact.

Let's say you use Facebook ads, Instagram ads, and Reddit ads to sell your product. Here's how your ROAS looks after a six-month campaign:

Channel	Ad Spend	Revenue	ROAS	
Facebook	£1,000	£10,000	10	
Instagram £1,000		£5,000	5	
Reddit	Reddit £1,000		0	
Total (MER)	£3,000	£15,000	5	

Your MER – 5x – tells you this is a successful strategy. But based on your ROAS, you decide to cut Reddit from your paid media strategy, since it's not making you any money directly.

You relaunch the campaign without Reddit. Another six months later, here are the results:

Channel	nnel Ad Spend Revenue		ROAS	
Facebook	£1,000	£5,000	5	
Instagram	£1,000	£2,000	2	
Total (MER)	£2,000	£7,000	3.5	

You've spent £1,000 less, but your revenue has dropped, and your MER is now just 3.5x. So you're getting less for the amount you spend. Your profitability has gone down.

It turns out that Reddit was boosting brand awareness, indirectly increasing conversions over on Facebook and Instagram. These conversions hadn't been accounted for when calculating your ROAS.

Not to say that ROAS is never useful. It definitely has its role and you should continue to track it. But you need to account for the bigger picture too.

Why Use MER?

Another reason MER is so useful is it reduces your dependency on third-party data and metrics from ad platforms.

With increasing levels of automation, ad platform data is becoming less and less transparent over time. For example, when running PMax campaigns, you can't even see how your spend is being split between Search, Display, Discovery, YouTube and Shopping.

MER eliminates the need to rely on external third-party data - giving you a reliable, and more importantly, a fully future-proofed way of tracking the impact of your efficiency optimisations over time.

One thing is for certain, as automated campaign types become more prevalent and effective, advertisers are going to have much less visibility over what's going on behind the scenes with their budget.

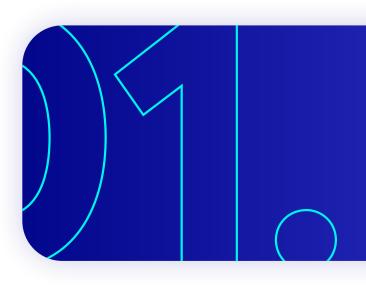
That's why the host of Honest eCommerce, Chase Clymer, believes MER is superior to ROAS as a measurement of marketing performance:



"The cool thing about marketing efficiency ratio is that you aren't relying on the metrics and returns the platform tells you. All you're looking at is the financial input, for example, the \$45,000 that you spent. And you made \$270,000 dollars this month – so you can start to plot those data points within your reporting."

Best Practices Using MER

Ultimately, MER helps you get the most from the money you spend, whether you're trying to boost revenue or keep costs down. Here are four ways to optimise your marketing efficiency ratio:



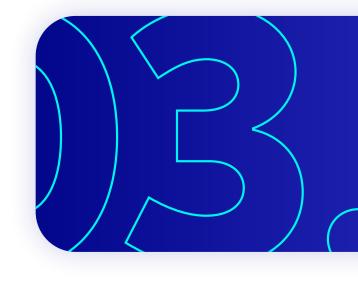
Collect first party data

Prioritise collecting your own first party data to optimise conversions at every stage of the marketing **funnel**, improving your MER and reducing your dependency on ad platforms and third-party cookies.



Set the right goal

Decide whether profits or efficiency are more important from the start. Avoid moving the goalposts halfway through a campaign, as this can change where and how you use your marketing spend, resulting in wasted ad budgets.



Compare MER month-on-month

Compare low-spend months to high-spend months. If your MER is roughly the same for each, your strategy is likely giving you a good return.



Assign budgets based on historical MER

Instead of allocating budget based on ROAS, use MER to guide your overall spending decisions. This will help you make smart revenue-based choices, rather than basing them on more granular campaign metrics.



"The death of third-party cookies challenges marketers to re-evaluate customer engagement and create meaningful connections by focusing on lifecycle health (retention, churn prevention, etc.). Zero or firstparty data (purchase history, CRM data, web analytics, etc.) can fuel personalised, targeted campaigns to reach desired audiences more effectively, understand their journey, identify pain points, and create opportunities for cross-selling and loyalty programs."

11 Common Sources of Performance Marketing Inefficiency

Performance marketing inefficiencies arise for lots of different reasons, so it can be hard to pinpoint exactly why your campaigns aren't getting the results you expected. But eliminating inefficiencies is much easier when you know how and where they're likely to crop up.

Here are 12 common sources of performance marketing inefficiencies that this playbook will help you address:

Not making full use of your historical performance data

This is a potential gold mine of valuable information and insights. You should know exactly where your budget has previously delivered and where it has fallen short. Going ahead without a clear grasp on this is like swimming in the dark.

2 Lack of robust conversion tracking

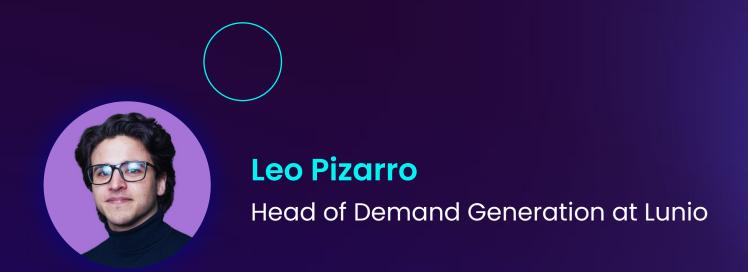
As PPC becomes more automated, having a bullet-proof conversion tracking system in place is more important than ever. The principle of 'garbage in, garbage out' always stands. So you need to pay closer attention to the quality of input data (i.e. conversions) you're feeding into campaign algorithms.

3 Setting up automated campaigns incorrectly

Performance Max and other automated campaign types have a lot of potential. But they can also lead to significant overspending if they're not set up effectively, or left to their own devices. This is especially true for B2B businesses where CPCs are generally higher.

Fake ad engagements and invalid traffic

Based on data we've collected at Lunio, we typically observe that 10 - 20% of ad spend is wasted on clicks from bots and fake user profiles. These bad clicks also distort your analytics, making it harder to make data-driven campaign optimisations.



"You might go into Google Analytics and review your click and conversion data there. Then you log into your CRM and see completely different metrics. Different click volumes. Different conversion volumes. Different values per lead. And this is in part due to the distorting influence of fake and invalid traffic on your ad campaigns."

Poor landing page design

Excessive copy, poor value proposition placement, and high levels of friction can kill your conversion rates. It doesn't matter how well-optimised your campaigns are - if your landing pages aren't up to scratch you'll simply be spinning your wheels (and wasting lots of money in the process).

Poorly crafted ad copy

our ads might reach the right audiences, but if your messaging doesn't resonate, your click-through rates will suffer. If you adopt very similar messaging to your competitors you risk being drowned out in the noise. And if your ad copy isn't highly relevant to the keywords you're targeting, your Google Ads Quality Scores will dip leading to an increase in campaign costs.

Using the wrong bidding strategy

Your bidding strategy signals which KPI you want Google to prioritise. So using the wrong one can create a disconnect between your goals and the results you're getting. Failing to set appropriate budget limits on automated bidding strategies can be very costly if left unchecked for even just a day or two.







Not refining your audiences enough

If you're not using exclusion audiences in all your campaigns, your ads will be displayed to a less targeted range of people who are ultimately less likely to convert. Exclusion targeting becomes even more important when using automated campaign types, where audience targeting is in the hands of machine learning algorithms.



Leo Pizarro Head of Demand Generation at Lunio

"We saw a significant increase in efficiency on LinkedIn campaigns by excluding inactive users. Imagine you are setting up a LinkedIn campaign – you put in a job title, you put in the target company, and you end up with 10,000 people in the target audience. If you simply press go at this point without any further refinement, you're going to waste money.

Ideally you want to separate active from inactive users. You can do this by adding extra campaign parameters to exclude any users with incomplete profiles, those who haven't posted within the last 90 days, or those who aren't actively engaged in any groups. This may cut your initial list of 10,000 users down to 5,000 or less."



Don't continue spending heavily on stale ads with mediocre conversion rates. Constant innovation and experimentation is essential for creating ads that resonate with your audience. If you continue to do what you've always done, you'll never drive further ad spend efficiency.

Not investing enough in retargeting

If you aren't further capitalising on traffic you've already paid for through extensive retargeting, you're limiting your overall spend efficiency. You should aim to concentrate a significant portion of your overall ad spend on you know have some sort of interest in your business. Retargeting also significantly increases branded search queries, which have much higher conversion rates.

Focusing on lead generation over revenue generation

Measuring on MQLs alone incentivises marketing teams to get the most volume of MQLs for the lowest cost, which is entirely misaligned with sales productivity and sales goals. B2B brands tend to spend the vast majority of their paid media budget on driving short-term outcomes with lead generation activity driving little revenue.

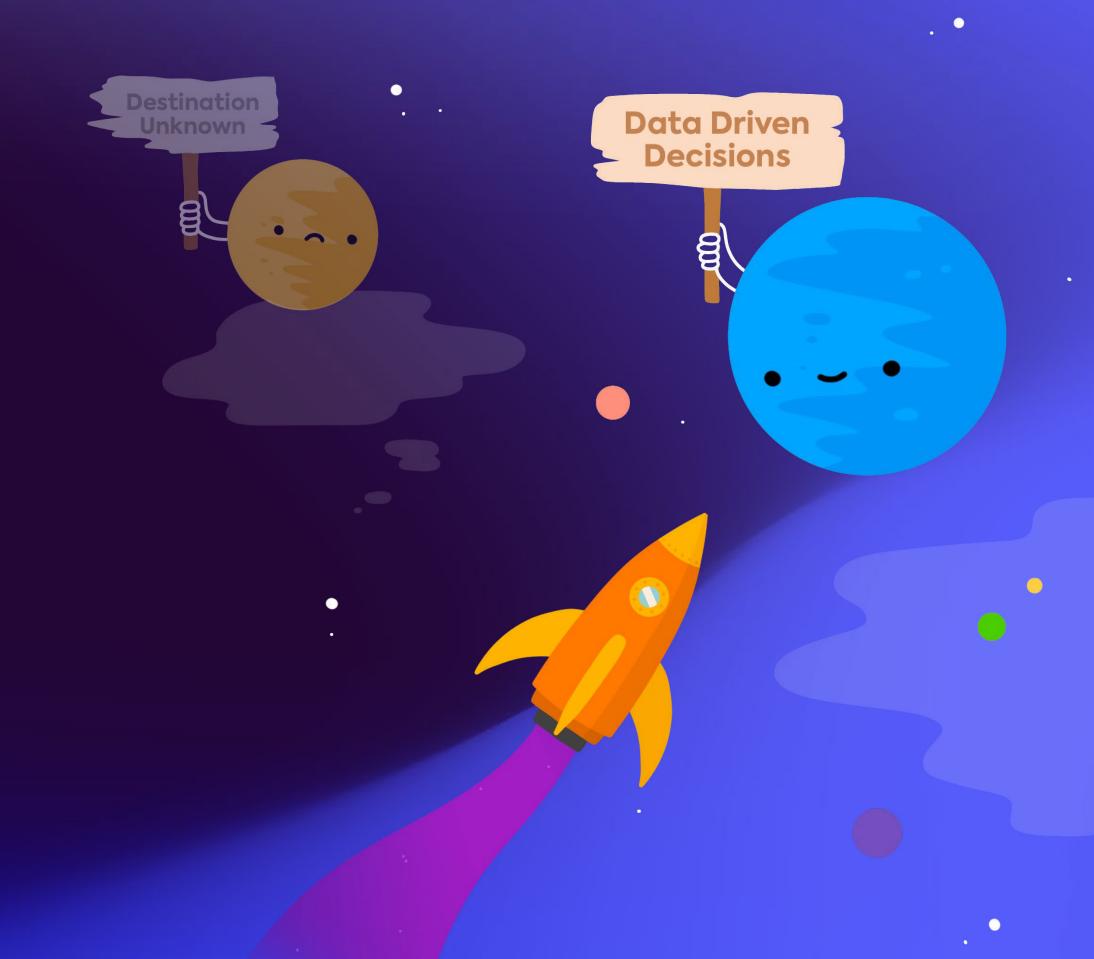


Auditing Historical Performance Data

Even if you've got a reduced headcount or less budget to work with, there's one conversion-boosting resource you'll always have: your historic PPC performance data.

If you've got a good data set to work with, it makes it much easier to plot a logical path forward. Pressing ahead without fully interrogating your past performance data is akin to flying blind.

Granted, if your conversion tracking hasn't been up to scratch, your historical performance data won't be as useful as it could be. But at the very least you'll be able to determine your previous top performing channels, campaigns, and ads. And when you zoom out you'll be able to see which channels have decreased in performance year-over-year and which have increased, allowing you to shift more of your budget into platforms with higher growth potential.





"Look at the performance of individual ad networks over time. This can help you figure out where the growth areas will be. For example TikTok might be performing much less than Google Ads currently, but it could be a really good growth area for your business that warrants continued investment."



Note:

If you know you have conversion tracking issues, skip to our best practices and tips.



"Set clear goals and KPIs before auditing your historical performance data. This will focus your analysis and identify areas for improvement more effectively. Analyse trends and patterns over time to inform future campaigns and budget allocations. Segment your data by different variables, e.g. geo locations, device type, customer demographics. This will help inform your targeting and segmentation strategies."

If you've been more diligent with your conversion tracking, you'll be able to build a very clear and detailed understanding of your performance to date. The aim is to get a firm grasp on key numbers and metrics such as:

- Return on ad spend (ROAS)
- Monthly sales volume
- Customer acquisition cost (CAC)
- Average order value (AOV)
- Customer lifetime value (CLV)
- Cost per lead / cost per sale (CPL / CPS)

What key PPC goal do I need to achieve to hit my revenue targets?

- Is it a particular ROAS target?
- Is it a particular monthly sales volume?
- Is it a specific number of new customers?
- Is it a certain cost per lead or cost per sale target?

When you know what your unique version of success looks like, it should become your north star - guiding every budget allocation decision you make.

Budget Allocation

You can also overlay your new budget onto your historical performance data to create a projected revenue forecast:

When you have a firm grasp of your past numbers, you can invest X amount into upcoming PPC campaigns and reasonably expect Y to come out at the bottom.

If a particular activity or investment doesn't directly contribute towards the key goal you've identified that will help you reach your revenue targets, it needs to be noted and carefully considered.

But this isn't to say you should drop everything that is difficult to attribute value to directly. It's important to keep sight of the bigger picture that sits outside PPC.



"If you stop investing in brand activity on social and SEO you can obviously save money in the short term. But you'll likely see a dip in performance three to six months down the line. In certain circumstances I've seen those kinds of cutbacks do irreparable damage to revenue growth."

PPC Budget Allocation Tips

With that important caveat out of the way, here are some tips and best practices to keep in mind when you're making PPC budget allocation decisions.

We cover more in-depth tips specific to Paid Search, PMax, Paid Social, and Display in the later chapters of this playbook. But tips below are more broadly applicable and channel-agnostic.

Set Aside Budget for Continual Experimentation

With that important caveat out of the way, here are some tips and best practices to keep in mind when you're making PPC budget allocation decisions.

We cover more in-depth tips specific to Paid Search, PMax, Paid Social, and Display in the later chapters of this playbook. But tips below are more broadly applicable and channel-agnostic.

Make the Most of Retargeting

Data from Criteo show retargeted site visitors are 43% more likely to convert. Retargeting can also drive a significant increase in brand name searches, which are known to have much higher conversion rates than non-branded searches. If you're paying money to drive new visitors to your site through paid media, you should always further capitalise on that traffic.

According to an analysis done by YouTuber and marketing expert Jason Whaling, the cost-per-view for a YouTube retargeting ad in 2022 was just \$0.04, while the cost-per-click was \$3.34.

If you're running retargeting ads on Google's Display Network, the impressions don't cost you anything if you run your campaign on a cost-per-click basis. These campaigns can provide broader reach and increase brand awareness in a highly spend-efficient way.



"Treat budgeting like a process, not a one and done activity. For each segment, distribute annually and assess ROI monthly. Then, redistribute to best performing to scale success or to low performing to close the gap. The ongoing budget surveillance gives you the pulse on the spend, resulting in real-time, data-driven decisions."

Always Use Exclusion Targeting

Oftentimes you'll have a better idea of who your audience isn't than who they are. Always feed that information into your campaigns to significantly boost the efficiency of your targeting.

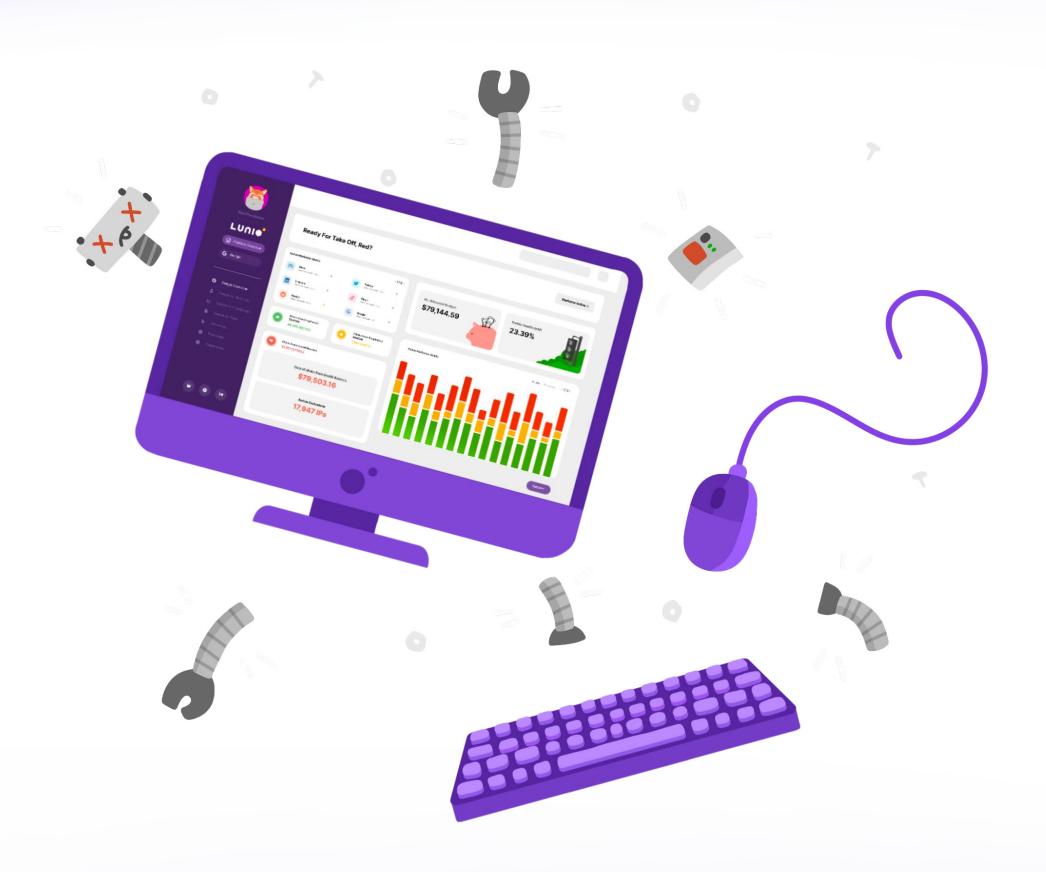
You can exclude specific demographics, locations, audiences, keywords, placements, topics, and you can exclude the marketing list like people who have recently bought, and you can also exclude wider category lists as well.

Automation has reduced the level of control you have over your ad targeting. But you still have full control over the audiences you want to specifically exclude. So use it.



Gareth Westhead Head of Paid Media at Clickoo

"If you stop investing in brand activity on social and SEO you can obviously save money in the short term. But you'll likely see a dip in performance three to six months down the line. In certain circumstances I've seen those kinds of cutbacks do irreparable damage to revenue growth."



Eliminate Fake Ad Engagements

Bots, fake users, and inaccurate automated audience targeting have caused a corresponding spike in low quality clicks and conversions for most businesses in recent years. Based on data we've collected at Lunio, we commonly see that 10 – 20% of ad spend is wasted each month.

Inflated impression numbers, invalid clicks, form spam, and fake leads are now so common place that many marketers simply see it all as an inevitable and unavoidable "cost of doing business". But that shouldn't be the case.

By automatically eliminating fake traffic on all channels, <u>Lunio</u> focuses 100% of your ad spend on audiences with genuine conversion potential, allowing you to make better campaign optimisations with validated data. The money you save can be reinvested to reduce your cost per lead and drive greater overall sales volume.

Get Started >

Focus On Video & Animation

Over the past few years, most ad platforms have been shifting towards more of a visual impact. Search ads now use image and video assets. And Facebook is pushing advertisers to lead with video wherever possible, even giving you the option to add audio to any images you upload to create basic video files.

We're seeing this with programmatic display as well. If you compare the performance of static display ads to dynamic ones in which the elements change when you hover on the ad, dynamic usually wins. So over the next few years, we're likely to see advertisers using Al-powered tools to deliver videos and animated ads to the right audiences at the right time.

But even with the right tools, video and animation can still be expensive. Don't spend a huge chunk of your budget on professional-quality creative until you're absolutely sure your messaging will convert.

Before working with an expensive agency, test a variety of lo-fi video concepts to see which converts best.

You can use Google's Ads Creative Studio to make your own videos, or work with a freelancer from Upwork to create them for you at relatively low-cost.



Prioritise Landing Page Optimisation

It doesn't matter how compelling your ad copy is, or how well-optimised your campaigns are - if your landing pages aren't up to scratch you'll simply be spinning your wheels (and wasting lots of money in the process).

Google judges the quality of the landing page based on the parameters of relevance, content originality, transparency, and navigability. And automated campaign types like PMax rely heavily on on-page keyword placement on your landing pages to serve them to the right audiences.

Check out this chapter for more on Landing Page Optimisation

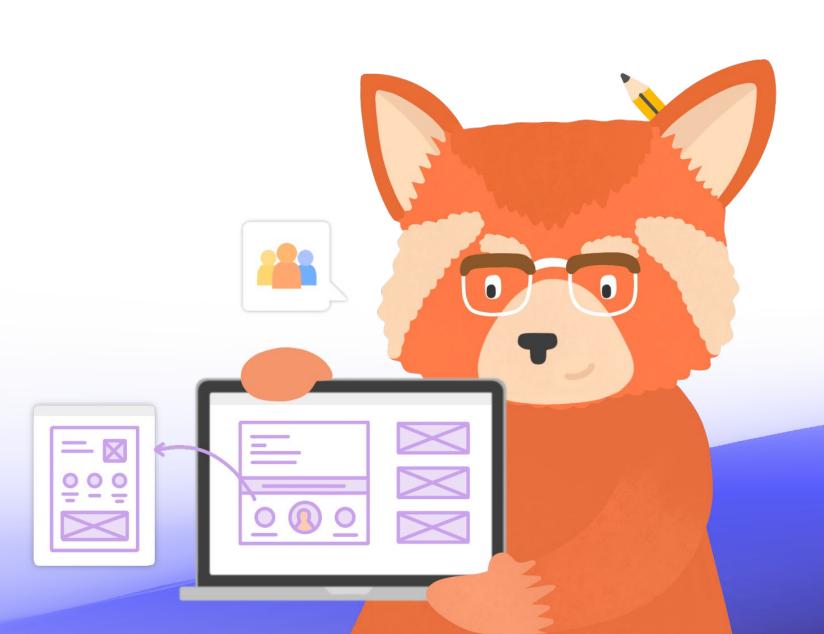


That means you should start to focus more on:

Improving on-page targeting — Ensure your landing page makes it clear what your product is and who it's for. Don't try to target multiple audiences with one page.

Aligning goals — Make sure your PPC campaign goal aligns with your landing page conversion goal.

Optimising UX — A lightning-fast landing page with an intuitive and compelling user experience will improve your ad's chances of being shown.



How Much Should Your Spend on Conversion Rate Optimisation?

Unbounce offers a useful breakdown on calculating your ROI on landing page optimisation.

The data below illustrates what tends to happen when you take a portion of your budget allocated for generating PPC traffic, and put it into improving your conversion rate through a variety of optimisation techniques.

Campaign Budget	Conversion Costs	PPC Spend	CPC ¹	Visitors	Conversion Rate ²	New Customers	СРА
\$10,000	\$0	\$10,000	\$0.40	25,000	1.00%	250	\$40
\$10,000	\$1000	\$9000	\$0.40	22,500	1.25%	281.25	\$35.56
\$10,000	\$2,000	\$8000	\$0.40	20,000	1.50%	300	\$33.33
\$10,000	\$3,000	\$7000	\$0.40	17,500	1.75%	306.25	\$32.65
\$10,000	\$4,000	\$6000	\$0.40	15,000	2.00%	300	\$33.33

- In their first example, the campaign budget of \$10,000 is spent entirely on PPC, with a CPA of \$40.00 (based on a Google Ads CPC of \$0.40), 25,000 monthly visitors, a conversion rate of 1%, and 250 new customers.
- When 10% of that budget is spent on landing page / conversion rate optimisation (CRO), you have fewer visitors (22,500), but you also have a lower CPA of \$35.56, an increase to 281.25 customers, and a conversion rate of 1.25%.
- Using 20% of the budget for CRO further increases the conversion rate to 1.75% and decreases the CPA to \$33.33, while giving you 20,000 visitors.
- With a CRO budget of 30% you get fewer visitors (17,500) but also have a conversion rate of 1.75%, more customers at 306.25, and a lower CPA of \$32.65.
- But Unbounce's example also has a point of diminishing returns. If you spend 40% of the budget on CRO, CPA begins to rise once more to \$33.33.

You should aim to devote 25 - 30% of your overall PPC budget to landing page and conversion rate optimisation for maximum spend efficiency.

B2B Budget Allocation Tips

The previous budget allocation tips are broadly applicable to all businesses. But there are a few additional things worth considering if you're running B2B campaigns.

Prioritise Declared Intent Over Assumed Intent

Not all conversion sources are equal. Separate declared vs assumed intent into two pipeline channels. Then plan and build your goals for each separately.

Declared Intent - The buyer declares intent to buy from you (e.g. demo request, G2 Signal, contact sales, pricing page views etc)

Assumed Intent - You assume the buyer has intent based on their digital behaviour (e.g. eBook download, webinar attendee, trade show badge scan, etc)

Measuring on MQLs alone incentivises marketing teams to get the most volume of MQLs for the lowest cost (i.e. assumed intent conversions), which is entirely misaligned with sales productivity and sales goals.

Spend more time and budget chasing declared intent. This narrows your focus on activities and accounts that are much more likely to generate revenue.

Increase Your Investment in ABM

87% of B2B companies say that ABM delivers higher ROI than all other types of marketing, according to Tribal Impact.

One-to-one AMB campaigns, where you can call out specific companies in your ads tend to have much higher success rates. Loom does this really well and they've documented their strategy which we highly recommend checking out:

Behind the scenes on the Loom ABM ad campaign

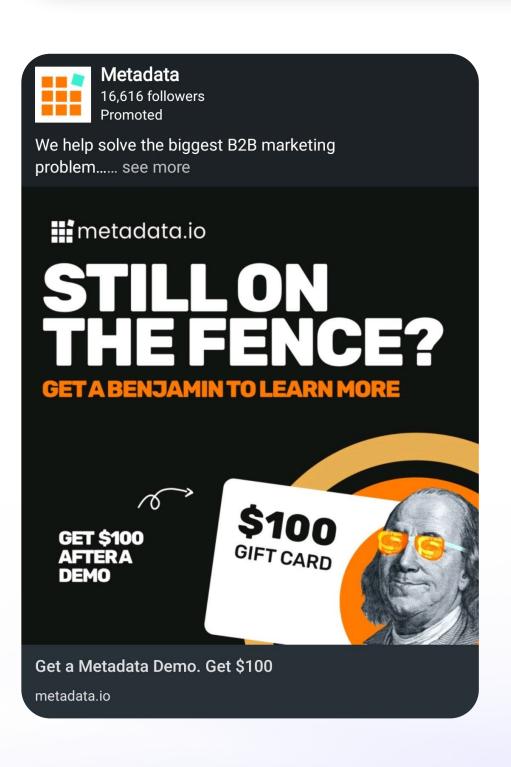


Matt Atkin Senior Performance Marketing Manager at Tray.io

"Build a deeper understanding of what the key roles at your target accounts do on a day-to-day basis. Develop messaging that speaks directly to the problems you can solve for them. And spend more of your money going after accounts more likely to impact the bottom line for your business."

Run Gift Card Ads for Target Accounts

If a prospect is looking at your solution and evaluating whether it's the right choice, a \$100 gift card will help get them off the fence and across the line, at least for an initial call. Many brands are finding it's helping to significantly reduce their overall cost per acquisition.



Use Meme Ads to Identify Responsive Contacts

In B2B it's often hard getting responses on LinkedIn. But you can run meme based ads to your advantage. Humour content typically sees a higher engagement-rate with users commenting and tagging peers.

People who comment on posts are far more likely to engage with you and reply back if you reach out to them. These are the right individuals to speak to at your target accounts.



Run LinkedIn InMails to Drive Down Cost-Per-Lead

InMails allow you to message other users via LinkedIn Sales Navigator, without needing a prior connection. And at \$0.50 per InMail, they're super cheap.

The average cost-per-click for LinkedIn sponsored ads is well over \$10. So you could be paying \$20 or \$30 per lead there. But at Lunio we promote our webinars via InMails instead, bringing our average cost per registration down to \$12.

You've got one chance to make a good impression though. So every word should be written to make sure you don't sound robotic or overly-pushy.



Google Analytics 4 Setup Tips

Google Analytics 4 (GA4) has changed the foundations of PPC. According to its documentation:

"GA4 is a new kind of property designed for the future of measurement: It collects both website and app data to better understand the customer journey. It uses event-based data instead of sessionbased. And it includes privacy controls such as cookieless measurement, and behavioural and conversion modelling."

Google will sunset its old Universal Analytics on July 1st 2023, meaning properties will no longer process data. You'll be able to see your Universal Analytics reports for a period of time after this. But new data will only flow into Google Analytics 4 properties.

So if you haven't made the shift already, you need to do so asap to start capturing traffic and conversion data to learn from and set yourself up for success (ideally this should have been done months ago, but better late than never!)

Don't just make a GA4 property and implement the tracking code. Here are 10 tips to address the essentials when you make the transition:

- Set up event & conversion tracking
- Set up eComm tracking for GA4, if applicable (there are 14 events you can track)
- Set the data retention period to 14 months
- Exclude payment providers as referrals
- 5 Add filters for internal traffic
- Create audiences
- Link Search Console to GA4

- 8 Link Google Ads to GA4
- Set up native conversion tracking in Google Ads to feed the algorithm more data.
- Set up cross-domain & subdomain 10 tracking correctly



Nick van Maaren Digital Marketing Consultant at Pixel Creation



For more on GA4 best practices, check out our dedicated guide.



"While working through your GA4 migration steps ahead of the sunset in July, do not forget to audit your conversion actions inside your Google Ads accounts. Any conversions imported through GA will no longer count after July 1st and it's important to be prepared to not impact your performance. Put together a transition plan to migrate and update these conversions and start getting them in the account to track data ASAP."

The Growing Importance of Robust **Conversion Tracking**

If your conversion tracking isn't up to par, you're never going to maximise ad spend efficiency.

You can't make meaningful efficiency improvements if you don't have a clear record of what's happening inside your campaigns. And poor conversion tracking is even more of a problem when working with automated campaign types like PMax and Advantage+.

When working with any automated system, the principle of 'garbage in, garbage out' always stands. And because more automation is clearly the future direction of PPC, now's the time to start paying closer attention to the quality of data you're feeding into campaign algorithms.

Commercially-relevant conversions are different for every business. So make sure you understand what your goals are from the outset, and that you can actually steer on those goals with your conversion tracking.



Miles McNair Google Ads Expert & Founder of PPC Mastery

"The single most important point to focus on with any Smart Targeting system is your data input. That input is being used by the algorithm to predict a specific end result, which is your desired conversion. So before pressing ahead, do as much as you possibly can to ensure your conversions are being logged correctly."

Conversion Tracking Best Practices

Applying the best practices below will help you increase the conversion volume within your account, without making any changes to your campaigns.

Having a larger pool of reliable conversion data is always a good thing. It gives you additional insights algorithms can learn from to better optimise bids and targeting.

Define All Primary & Secondary Conversions

Make sure you're tracking all primary and secondary conversions that are important to your business. Primary conversions are used for bidding to help reach your campaign goals. Secondary conversions are for observation only - you can see them in the "All Conversions" tab in your reports, but they are not used for bidding.

This allows you to separate the conversions that play a role on ad spend optimisations from the ones that are there just for reporting purposes. For example, if you're running an eCommerce business, direct purchases via PPC ads would be a primary conversion while newsletter signups would be a secondary conversion.



Miles McNair Google Ads Expert & Founder of PPC Mastery

"One of the biggest mistakes people make with conversion tracking is only importing Google Analytics events as Google Ads conversions. If you want to measure as many conversions as possible, you need to use the Google Ads Tag."

Use the Google Ads Tag for Primary Conversions

Using the Google Ads tag means you can track more conversions: cross-device, view-through, engaged-view and enhanced conversions.

Ability to track view-through conversions - This is whenever a Display/video ad impression leads to a conversion with your view-through conversion window.

Ability to track engaged-view conversions - This is when a user watches at least 10 seconds of a video ad on YouTube/GDN or watches the entire skippable in-stream ad, if it's shorter than 10 seconds, and then converts within the Engaged-view conversion window.

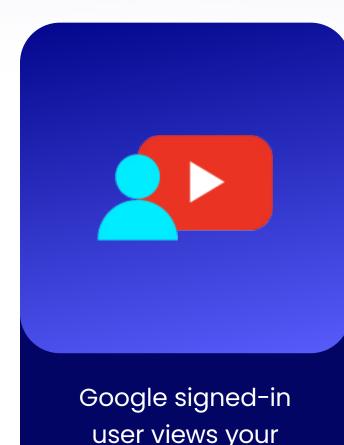
Ability to track cross-device conversions - This is when a user is logged in with a Google account on multiple devices, conversions can be measured accordingly.

These functions are unique to Google Ads conversion goals and impossible to use with imported events/goals from Google Analytics.

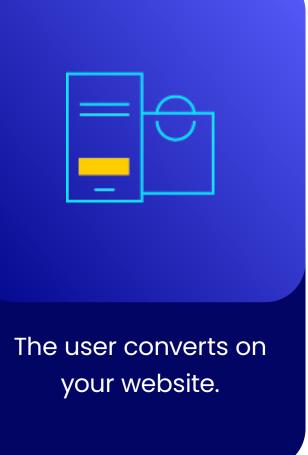
Use Enhanced Conversions

Google introduced the Enhanced Conversions feature in response to conversion tracking preventions (e.g. iOS14).

It turns first-party personal information from visitors on your site (such as names and email addresses) into hashed text before sending it on to your Google Ads account. This means if they leave your site and return at a later date to make a purchase, the conversion can still be attributed back to the original ad the user had clicked on to get to your site.



user views your Youtube ad.





The conversion tag captures a field you determined (eg. email), hashes the data and securely sends to google.



The hased data is matched against Google hashed user data and conversion is reported in your account.

It's a bit of a technical setup, but once set up correctly, you can see a significant uptick in conversions, especially on video campaigns.

Use Data Driven Attribution

With data-driven attribution, your conversion will be attributed better across various campaigns that lead to a conversion.



Miles McNair Google Ads Expert & Founder of PPC Mastery

"We still see a lot of accounts without data-driven attribution enabled. There are some cases where last or first click attribution models make sense, but 90% of the time we recommend datadriven attribution."

Use Offline Conversion Tracking

Importing offline conversions can significantly increase the quality of your tracking. You can use this to overwrite data, add more conversions, add conversion values for lead gen and more.



Bob Meijer Google Ads Expert & Founder of PPC Mastery



"I regularly use <u>ProfitMetrics.io</u>. They've got a feature called 'Conversion Booster'. It combines Google tech with offline conversion tracking. If a conversion pixel cannot be fired because of ad blockers, or because the order success page didn't come up, then there's a backup offline conversion tracking method in place. This means you have a way of recording conversions you'd otherwise miss."

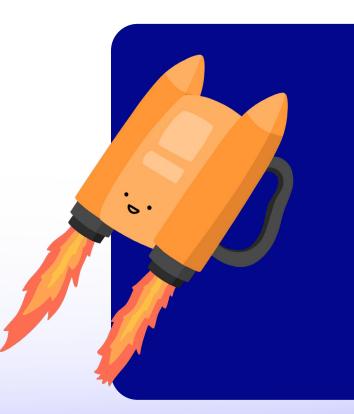
Regularly Review Your Setup

You should regularly audit your conversion tracking setup to ensure everything is working as it should, especially if your site is continually evolving. A small change to your website code can break your tracking.



Gareth Westhead Head of Paid Media at Clickoo

"Sometimes conversion tracking can get removed, dropped, or just not fire at the right time. So it needs to be checked on a regular basis – it's never 'set and forget'. Most businesses that don't conduct these regular audits end up paying the price for it later down the line."



TIP:

You can use events/goals from Google Analytics as backup secondary conversion goals for when your primary Google Ads conversion goals stop working. Always set these up as secondary conversions, so Smart Bidding doesn't optimise for them.

Check out this link on how to get more conversions with these tracking best practices

Ad Copy Optimisation

80% of people who see your ad won't make it past the headline. So to clinch the conversion, your ad copy needs to be as compelling as possible.

Great ad copy captivates your audience and leaves a positive brand impact. When you can do both, you'll attract potential customers and build a loyal following that trusts and values your brand.

These <u>Codeless stats</u> show how refining your ad copy can benefit your campaigns:

- Ad copy that can be understood by 8-9 year olds gets 36% more responses
- Personalised CTAs can boost conversions by up to 220%
- 59% of people would avoid working with a brand that uses poor grammar
- Including the word "because" can boost ad conversions by 34%.

There's no secret formula to writing great ad copy. It's a continuous process of writing, testing, and refining. Here are 11 ad copy optimisation tips to boost conversions and ad quality.



Sell the Sizzle, Not the Steak

Sell the experience of your product, rather than the product itself.

Lego isn't an obvious gift for mums. But this ad makes readers rethink this.

Instead of saying "don't give flowers, give botanical Lego", this ad sells the sizzle by implying Lego offers a more meaningful gift: family time.





Zsuzsanna Blau

Global Head of Digital Demand and Marketing Campaigns, Nokia

"Consider the user's intent when creating your ad copy. Understand what they want to achieve with their click. E.g. the intent behind "best cyber security software" vs "free cybersecurity software" is very different. Tailor your ad copy to match their query and provide a consistent landing page experience. This will improve CTRs, drive more qualified traffic, and increase conversion rates."



Keep it concise

Keep your ad copy direct and to the point. You won't waste people's time, you're more likely to retain readers, and you can improve your conversion rate.

Use these tips to keep your ad copy concise:

- Remove flowery adjectives and adverbs.
- Be ruthless when editing.
- Use as few words as possible.
- Stick to given character limits.

Nike is known for its snappy, sizzle-selling ads:







Be a Human, Not a Robot

Avoid using jargon when talking about your business, even if you have a complicated product. Use plain, simple language everyone can understand, like the Pendo ad below.

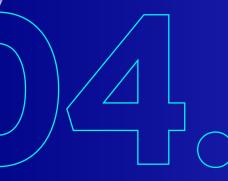
In short, if you wouldn't say it out loud in real life, don't use it in your ads.

Ad · https://go.pendo.io/feedback/software ▼

Pendo.io - The Ultimate Product Platform

Drive product adoption, customer loyalty, and team innovation. Capture and prioritize customer feature requests at scale. Capture All User Behavior. Free Demo.

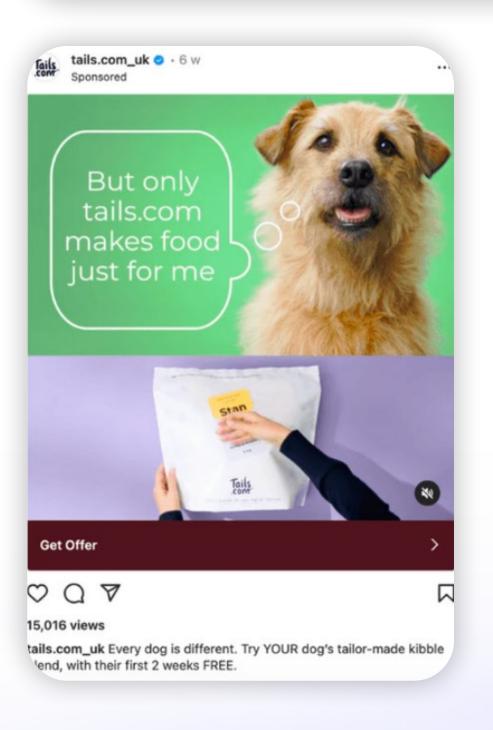
Pricing · Try Pendo Today for Free · Why Pendo? · Software Onboarding · Product Analytics

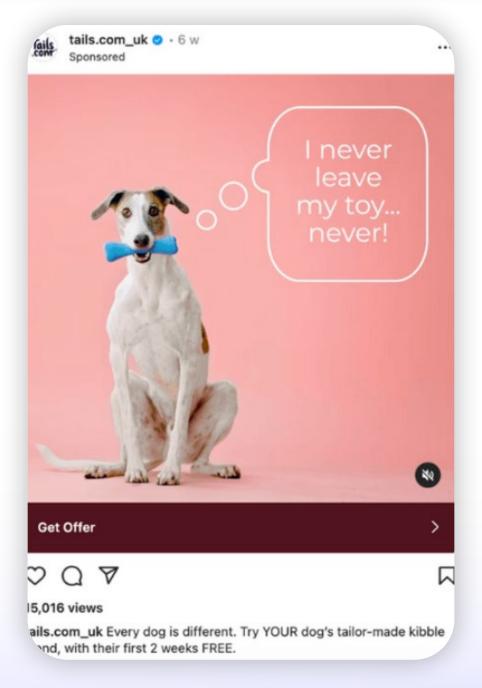


Make It Personal

Using second-person pronouns "you" and "your" is an easy way to connect directly with your target audience.

This Tails ad capitalises "your" to make the reader feel like the ad is speaking directly to them. Combined with "every dog is different" and "tailor-made", these pronouns make the reader feel unique:



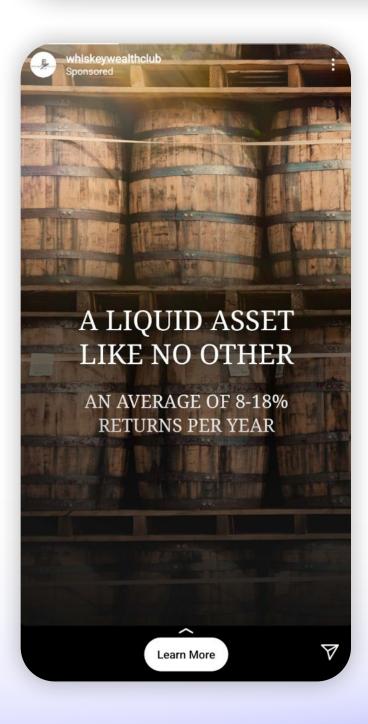




Don't Talk Down to People

Patronising ad campaigns can damage your brand. Insulting your audience's intelligence isn't just offensive; it can alienate those you want to attract.

Trust your audience to know what you know, and write copy that talks to them on a respectful level. This Whiskey Wealth Club ad strikes the right note:

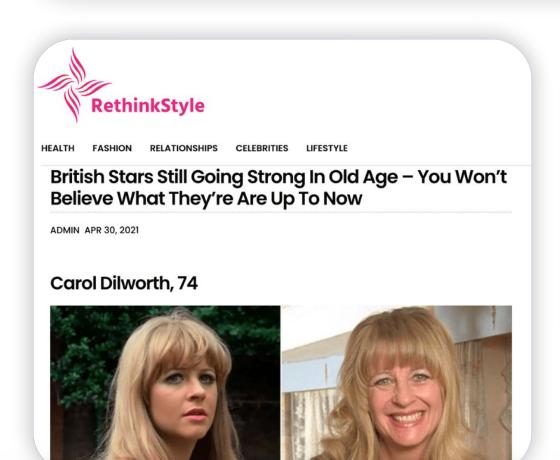




Avoid Clickbait

Landing pages that don't deliver on ad headlines can damage brand trust and drain your ad budget. You'll pay for clicks that don't convert, and your site visitors will go away empty-handed and annoyed.

Unfortunately, clickbait ads are still rife. This ad is clickbaity, sleazy, and the landing page doesn't deliver:





At 71, Agnetha Fältskog Leaves Nothing To The Imagination



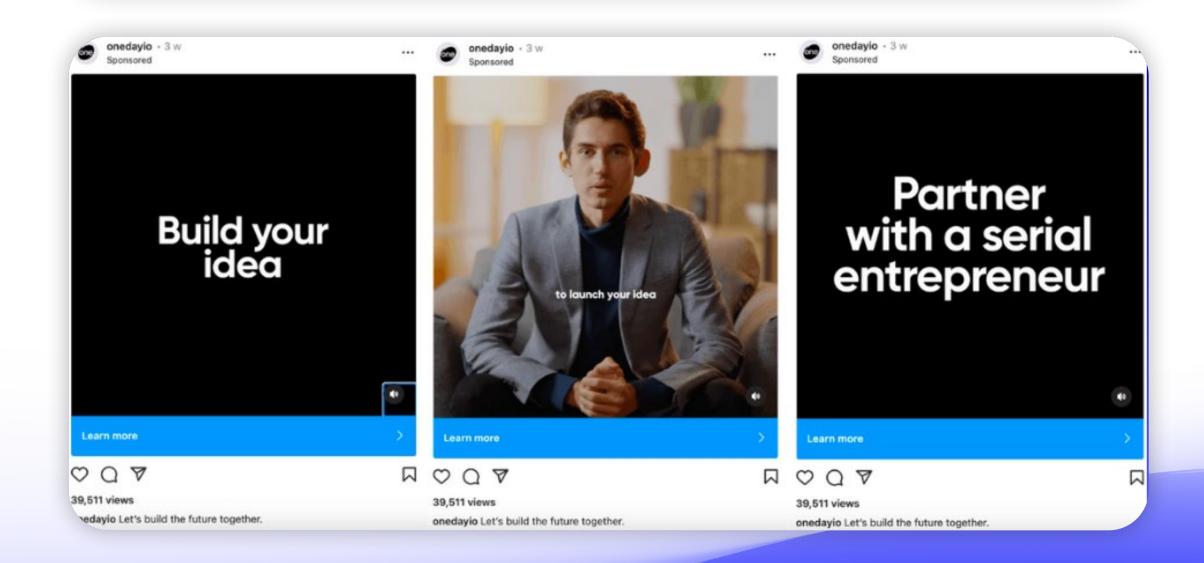
Start With Action Verbs

Powerful verbs spur people into action. So they're a useful tool when writing ad copy, especially in your call-to-action.

Strong action verbs include:

- Explore
- Discover
- Launch
- Create
- Uncover

This punchy Instagram video ad includes lots of good examples:





Speak to the Ego

Tap into people's self-referential thinking by indicating how your product or service can positively affect their life:

- How does this impact me?
- What are others thinking about me?
- What tasks are on my to-do list today?

This Headway Instagram ad taps into our fear of being boring and desire to be successful:

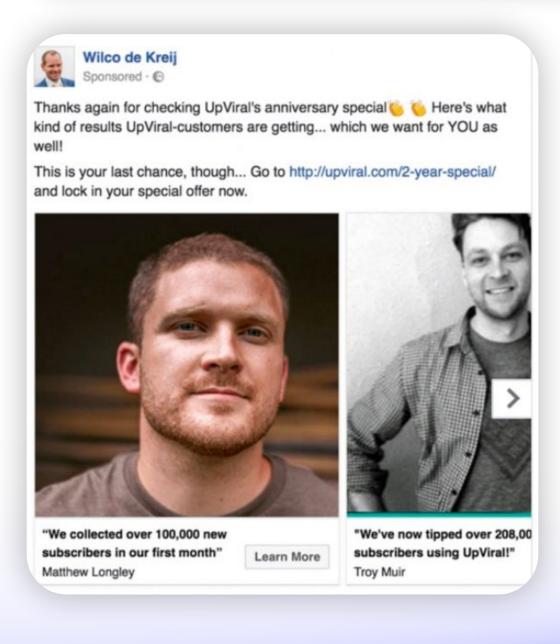


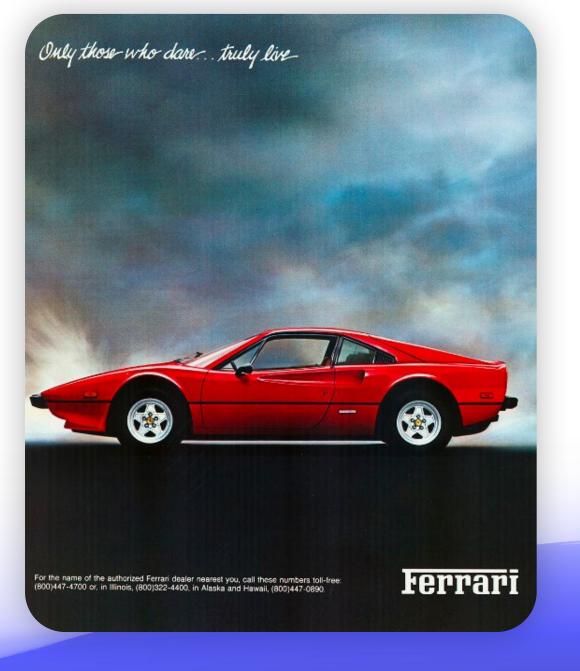


Tap Into FOMO

Fear of missing out, or FOMO, is a powerful tool. Viral videos, memes, TikTok challenges — nobody wants to be the one person who hasn't seen or done them.

Limited time offers and exclusive opportunities can help you tap into FOMO in your advertising. Use scarcity tactics, social proof, and aspirational messaging to create a sense of exclusivity.



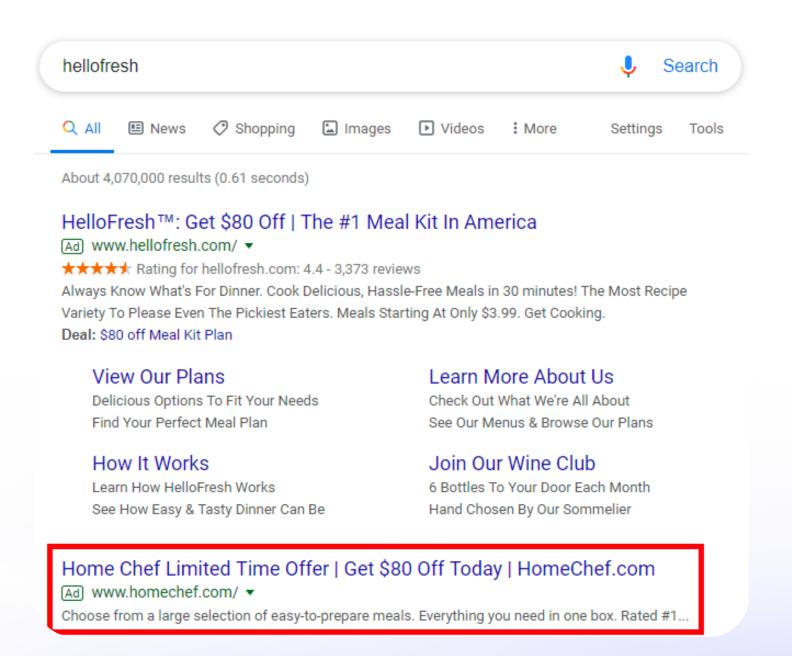




Don't Copy Your Competitors

Your brand won't stand out if you use the same messaging as everyone else. So while competitor research is important for understanding their advertising approach, avoid copying your competitors.

You may have similar products, but your brand is unique. Write copy that resonates with your brand values and speaks to your specific target audience.





Landing Page Optimisation

Landing pages with low conversion rates are a huge contributor to performance marketing inefficiency.

Factors like your industry, product, and target audience play a huge role in determining your landing page conversion rate. But it's still useful to have some ballpark figures to benchmark your performance. According to data collected by WordStream across all industries:

- The average (median) conversion rate for a landing page is 2.35%
- The top 25% landing pages convert at 5.31% and above
- The top 10% landing pages convert at 11.45% and above
- The highest performing landing pages convert at 20% or more

So what changes can you make to ensure your landing pages fall in the top end of the distribution curve? Here are 8 conversion-boosting tips:



Use the 1-1-3-1 Rule

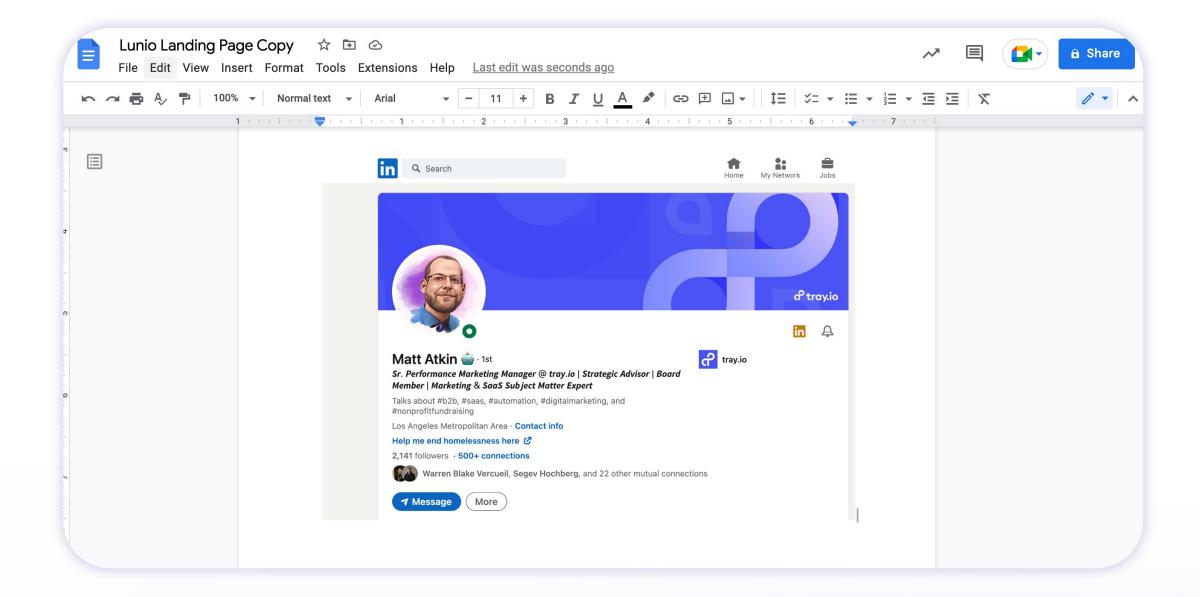
The goal of your landing page should always be to hook one target audience with one main message. Never dilute your message by trying to speak to multiple audiences.

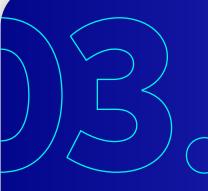
- 1 Target Audience
- 1 Value Proposition (VP)
- 3 Benefits (linked to the VP)
- 1 Call-to-Action



Write to One Person, Not Everyone

When you're working on your draft landing page copy, add a screenshot of your ideal customer persona to the top of the document to help keep them in mind as you write.





Remove Vagueness

Trade vague statements for specific punchlines that solve common pain points.

Never assume readers will know what your product can help them achieve. So spell it out explicitly for them. For example:

The all-in-one automated podcast editing platform

Becomes

Ship your episodes 3x faster with Al-powered editing.

Always state the tangible outcome users can expect to get from your product.



"Focus on targeting the right audience. Deeply understanding their interests and behaviours can help you create more targeted and effective campaigns, leading to better results."



Make H2 Subheadings Specific to an Audience or Industry

ChatGPT is great for coming up with variants for these. Try the prompt below:

"Product / service" give me 10 alternatives for an [X] target audience

"Durable wireless earphones with bass-boosted sound" give me 10 alternatives for a fitness-focused audience.



"Durable wireless earphones with bass-boosted sound" give me 10 alternative H2 landing page subheadings for a fitness-focused audience



- 1. Elevate Your Workout Experience with Powerful Bass-Boosted 🗀 🖒 🖓 Earphones
- 2. Unleash Your Inner Athlete with Our Durable Wireless Earphones
- 3. Get Your Groove On with High-Quality Sound and Sweat-Proof Earphones
- 4. Take Your Fitness Journey to the Next Level with Our Bass-**Boosted Earphones**
- 5. Intensify Your Workouts with Our Top-Quality Wireless Earphones
- 6. Pump Up Your Energy and Motivation with Bass-Boosted Earphones



Use a Proven Page Structure

The 10-part structure to the right is a good starting point for most businesses.



Build Trust in Multiple Ways

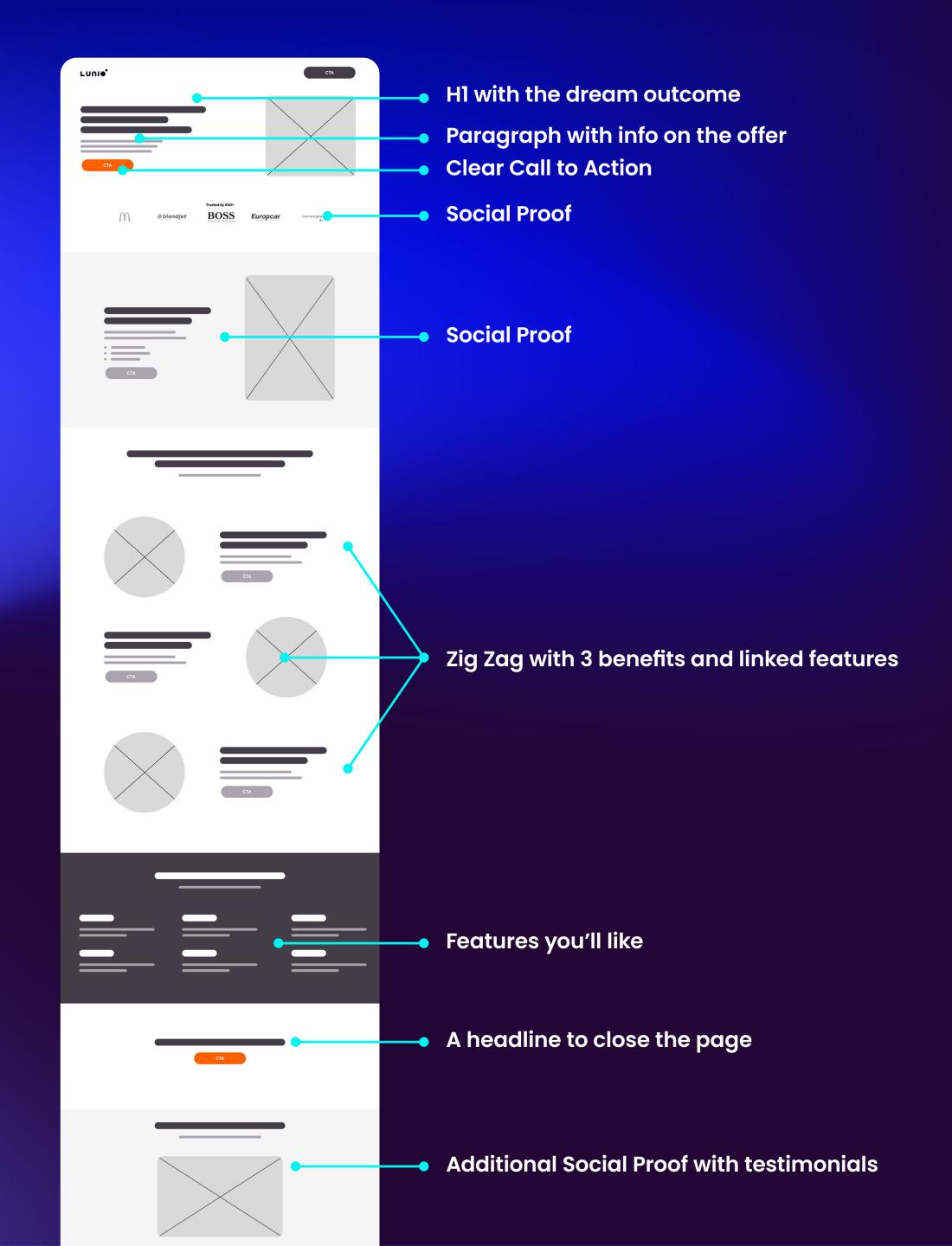
Trust increases conversion and doubt destroys it. So aim to incorporate these 5 elements into your landing page.

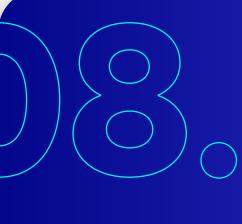
- A logo strip of your top existing clients.
- Genuine testimonials from customers.
- Use your own imagery, not stock photos.
- Case studies.
- TrustPilot, Google Maps, Ratings.



A/B Test Your CTAs

Create multiple variants of landing page CTA and test them all. Don't make an assumption about which you think will convert best without data to back it up.



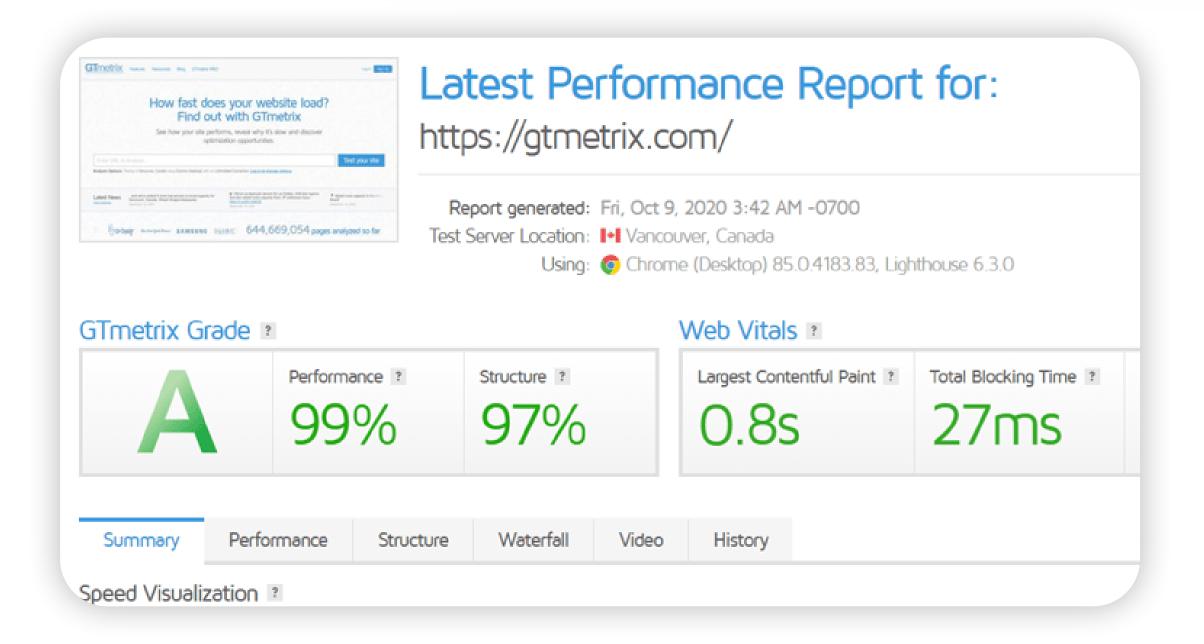


Check Your Page-Speed

Use **GtMetrix** to test the performance of your landing page.

Aim for an "A" grade page. If it falls short, look at the report to see where the issues lie.

People will leave your page if it's slow. And it'll also reduce your Google Ads Quality Score.



A/B Testing & Experimentation

A/B testing is one of the most effective ways to improve performance marketing efficiency.

Experimenting with multiple versions of your ad gives you real-world data that backs up your ad's effectiveness. You can use this data to optimise your ad, minimising risk and improving performance.

In short, testing ensures your ad will generate results before you put your budget behind it. These stats from <a>99Firms show why A/B testing is important:

- 1 in 8 experiments drives significant change
- 60% of businesses A/B test their landing pages
- Just 7% of companies find it difficult to perform A/B tests
- A/B testing helped Bing achieve a 12% increase in revenue

A/B testing works slightly differently on each ad platform, but the same rules apply. Here are 7 rules for successful PPC A/B testing:



Always Be Testing

A/B testing is an ongoing process. Test your ads continuously to check they resonate with your audience.

You don't need a big budget to test your ads. In fact, if you're working with a reduced budget, testing is even more important, as it helps you get better results from your limited spend.



Understand What You're Testing For

First, you need to decide which metrics indicate success. This could be:

- Click-through rate
- Conversion rate
- Average order value
- Return on investment.

You'll use this metric to evaluate success at the end of the test run.



Test Multiple Variables (But Only One at a Time)

It's a good idea to test multiple variables in your ads — but not at the same time. Limiting your tests to one variable per experiment helps you understand its impact on performance.

PPC variables you can test include:

- Ad copy and messaging
- Ad design
- The keywords you bid on
- Landing page
- Call-to-action

Here's an example of a Facebook ad image test. The creative on the left performed 75% better than the image on the right:







Alex Jackson Paid Media Team Lead at Hallam Internet

"When A/B testing, you should pretend you're back in high school science. Approach it like an experiment. You need to have a hypothesis to start with. And you need to be methodical by only changing one variable at a time. Figure out what you think might make your ad more successful, and tweak that while keeping everything else the same."

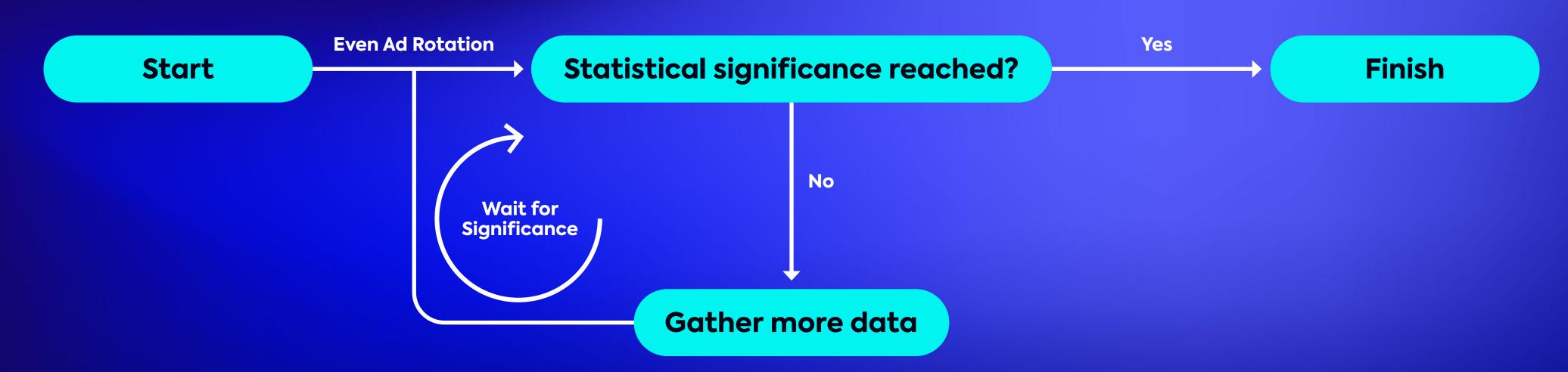


Give Your Tests Time

Ending experiments early can lead to unreliable data. If your control ad gets 10,000 impressions but your challenger ad only gets 1,000, your results won't be comparable.

Your results need to be statistically significant before you can act on them. So it's a good idea to run your split test for at least a week, or longer if possible.

A/B Testing: Best Practice





Select Your Sample Carefully

Most ad platforms with an A/B testing function will split your audience for you. But you should still be mindful of who you're sampling when selecting your audience.

The most reliable A/B testing samples are:

- **Highly targeted** select your most relevant audience
- Large the greater your dataset, the more reliable your results
- Random samples shouldn't be split by any specific characteristic
- Even control and challenger ads are seen by the same number of unique users.



Evaluate Your Test Results

When your campaign ends, take a look at the metrics you chose beforehand. Which ad was more effective? Do you have enough data to back it up? Are you confident enough to put your budget behind this ad?

If you're happy with the statistical significance of your test results, apply any changes across your campaign.



Track and Repeat

When you've refined one aspect of your campaign, it's time to move onto the next one.

Don't forget to track what you've changed and your results for future reference.















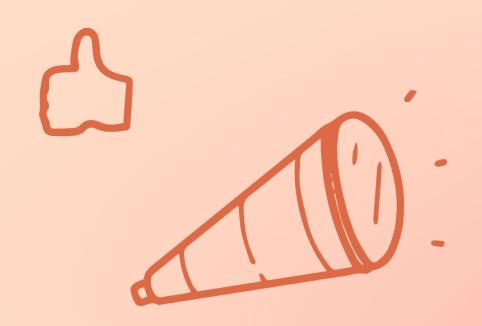
Mastering Search & Shopping Ads:

From Awareness to Action

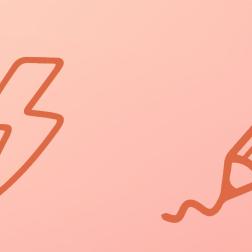














When it comes to budget efficiency, paid inbound marketing such as paid search and shopping ads offer a more targeted approach than display and social with higher conversion rates and better return for your ad spend. Data from Hanapin Marketing revealed that 71% of marketers surveyed said paid search was their most effective channel, beating all others by a considerable margin.

It's one of the few advertising methods where you can reach your target audience while they're actively searching for your product or service, allowing you to capitalise on immediate purchasing intent. The tricky part is showing up for the right queries at the right time.

Google dominates the market, processing over 8.5 billion queries every day. This makes up 78% of all online search behaviour today. Given the sheer scale of this activity, it's fairly easy to waste your campaign budget on irrelevant search terms and audiences. In fact, Lunio saw that 11% of all search ad clicks are invalid based on a randomised data set of 1 billion ad clicks.



For this chapter, we interviewed Yoann Ferrand, PPC Consultant at Opteo and Founder of In-House Partners - a marketing agency focused on implementing digital acquisition strategies & building game-changing partnerships. His 10 tips will help you optimise your paid search and shopping ads to drive more revenue without increasing your budget.

Formerly PPC Manager at Decathlon UK, Yoann helped scale the brand's paid search strategy, ultimately reaching 10.80 ROAS. He also runs the weekly PPC News newsletter on LinkedIn where he shares the latest developments in the industry with more than 5k subscribers.



Setting clear goals for campaign success

When it comes to running successful paid search and shopping ad campaigns, it's essential to focus on what matters most. That means tracking real business KPIs like leads, conversions, and profits. Without proper tracking and analysis, you risk making decisions based on incomplete or inaccurate data.

To get the most out of your campaigns, implement a robust data warehouse and tracking system. That means using tools like your CRM and Google BigQuery to collect and analyse customer data. By doing this, you can get a better understanding of your target audience and a complete picture of how they interact with your ads and website.

Note:

To learn how to move your Google Ads data into Google BigQuery, check out this guide.



Ensure your data is clean

One of the biggest pain points that marketers often face is not having clean data. This can lead to incorrect conclusions about the performance of your campaigns. Therefore, it's crucial to ensure your data is clean before sending it back to Google Ads. Here are best practices to follow:

- Establish a process for cleaning and organising your data. This might involve working with a data analyst or scientist who can help you identify and correct any issues.
- Remove fake or irrelevant data points manually or through a data verification solution.
- Update your product value with accurate Lifetime Value (LTV) figures.

Once you're confident in the quality of your data, you can port it into your data warehouse to reliable track performance. This should give you all the data you need at your fingertips, such as ad performance, audience demographics, and more.

Why LTV is key to long-term success

It's essential to have a deep understanding of your customers. This includes knowing whether they're new or existing, and pairing that with data on their lifetime value (LTV), lead score, and profits.

For example, if you have data showing existing customers have a higher LTV than new customers, you may choose to focus your advertising efforts on retaining existing customers rather than acquiring new ones.

Google offers a useful optimisation tool called Customer Match, which allows you to target ads to specific customers based on their email address. This can be a powerful way to reach either entirely new or existing customers and encourage repeat purchases.

Tip:

If your repeat purchase value is lower than your target purchase value, focus on excluding these through Customer Match lists and offline conversion data. That allows you to focus primarily on new customers with higher LTV.



When it comes to measuring LTV, using tools like BigQuery (ideally powered by client or sever-side) can be invaluable. By tracing GClid, you can understand the full value per keyword, which can help you identify your most profitable search queries and optimise your campaigns accordingly.

This will help you steer towards reliable long-term success, rather than continually chasing single initial purchases with no consideration of LTV.

Allocate shipping costs to individual products to understand margins

When it comes to optimising Google Shopping campaigns, it's important to consider not just the cost of each individual product, but also the shipping and return costs associated with each item.

Transportation costs are often smaller for bulk purchases and they're typically calculated at the basket level rather than the individual product level. So make sure to redistribute the cost across products to gain a more accurate understanding of your profit margins.

For example, let's say that your best-selling product is a tennis ball. While this product may have a low cost per acquisition (CPA), it may be attracting customers who are also likely to purchase higher-ticket items like tennis rackets. By allocating shipping and return costs to each product, you can gain a better understanding of which products are truly driving your profits.

"Many marketers managing Shopping ads inadvertently conduct flawed analyses when attempting to exclude products from their campaigns. As a result, they may overlook products that are not only profitable but also valuable to the business in terms of encouraging repeat purchases or generating higher sales volumes."



Get better results by measuring what matters

Before launching any campaign, aim to establish a clear and agreed-upon target with your PPC team. This will ensure that everyone is on the same page and working towards a common goal, making your campaigns more effective overall.

Make sure to educate stakeholders about your PPC process such as the importance of adding negative keywords minimise wasted spend, or when you expect to make changes in an account and what you need from them to succeed. By doing so, you can help everyone understand the value of your work and collaborate more effectively.

"PPC is like trading; if you don't know what your goals and return are, you cannot expect the team to achieve those. If you set unrealistic targets, you won't get anything in return. If you feed the machine incorrect data, it cannot optimise accordingly."

Lastly, ensure that your targets align with the capabilities of the platforms you're using. For example, one way to empower your team is by utilising bid simulator data, but it's crucial to establish achievable goals.

Google Ads assumes a flat conversion-rate with the bid simulator, which can create inaccurate expectations. Instead, aim to set goals that are realistic and achievable based on your data and historical performance.

Lots of people set goals for a certain number of transactions. But you need to dig deeper than that. When you want conversions - what's your CPA / ROAS target?

Be flexible to stay ahead of the game

While it's important to predict seasonality trends, unexpected market shifts can occur, and staying adaptable can make all the difference to your campaign's success.

Sudden changes in customer behaviour or external factors such as economic downturns or product releases can impact performance significantly. To stay ahead of the curve, follow these the best practices:

Measure seasonality effectively

Take into account not only search demand, but also conversion rates and average transaction value or profit to gain a clear understanding of how seasonal changes might affect your campaigns.

Plan your budget, but be prepared to adapt

While it's important to plan your budget on a yearly or quarterly basis, it's equally crucial to be ready to take advantage of opportunities as they arise. Allocate additional budget to successful campaigns or save/invest for later if times are tough.

"If you're having a bad week, save your budget for a better performing period. This mindset of creating a saving pot isn't common. Just remember you can't escape from quarterly targets - the money saved needs to be spent later to help hit them, you can't sit on it indefinitely."

Flexibility is key

By remaining open to change and being willing to adjust your strategy as needed, you'll have a distinct advantage over competitors who rigidly stick to their predetermined plan.

Patience pays off - invest smartly for long-term growth

Marketers who treat company ad budgets as their own money are more likely to make strategic decisions that optimise spending, minimise waste, and ultimately drive greater returns for the business.

Give your inventory enough time and budget to perform effectively

This approach isn't just about achieving maximum ROAS, it's about providing every product with the same opportunity to succeed. That eliminates the risk of making decisions based on skewed optimisation data.

Running thousands of keywords or products with limited investment can be counterproductive. The majority won't get the impressions or airtime they need to perform. Instead, focus on a smaller set of high-performing keywords or products that align with your business goals and invest heavily in those instead. This maximises spend in areas that have the most impact.

Be mindful of the law of diminishing returns

The law of diminishing returns in PPC refers to a point where increasing your budget for a campaign no longer generates a proportional increase in results. As the budget is increased beyond this point, the additional spending does not result in a proportional increase in conversions, leads or profit. Instead, the conversion rate starts to decline, CPCs increase, and the cost per acquisition (CPA) increases or return on investment (ROAS) decreases.

In other words, beyond a certain point, additional spending (or marginal CPA/ROAS) does not yield significant improvements in the campaign's performance and may even result in a decrease in ROI.

Continuously monitor performance and adjust your budget accordingly to ensure you're maximising ROI and not overspending on campaigns with limited potential.

If you have a limited inventory of a particular popular product, it may be more effective to rely on organic search or other marketing efforts to sell that product. This is because your PPC campaign can cause the product to go out of stock at a rate that makes it impossible to replenish.

Segmentation: The right message to the right audience

Segmentation in PPC campaigns is like having a toolbox filled with different tools for different tasks. Just as you wouldn't use a hammer to tighten a screw, you wouldn't use the same messaging and targeting for all audiences in your campaigns.

Audience segmentation can help you achieve your business goals by significantly improving your return on ad spend (ROAS). By segmenting your campaigns based on your business strategy and goals, you can better target specific audiences. Here are some key points to consider:

Group your campaigns based on different environments

Targeting competitors, markets with varying product fit, or audiences with different purchasing behaviours can all benefit from specific campaigns tailored to their needs. "Google's machine learning works with averages. It won't exclude single bad search terms or segments e.g. location or audiences. So if you include competitor keywords, which can fluctuate massively in cost, it could lead to a bidding war and wasted spend."

Use keyword clustering

Grouping keywords by topic or intent can make it easier for your team to manage and optimise campaigns. It also improves the relevance and effectiveness of your ads by ensuring that your messaging aligns with user search intent.

Ensure consistency

With the growth of expanded targeting (Broad, DSA, PMax etc), it's important to ensure users get a consistent experience across all of your campaigns. This includes avoiding duplicate queries when possible.

Consider future goals

If you anticipate a dedicated budget or new target audience in the near future, it may be beneficial to segment your campaigns accordingly. This will allow you to focus on specific goals and allocate resources accordingly.

Optimise your data feed

For successful shopping campaigns, a detailed and relevant data feed is crucial. This includes accurate product information with optimised attributes. Proper segmentation and targeting can be achieved with categories and brands, creating specific campaigns and precise audience targeting.

Personalisation gets you noticed

Personalisation in advertising has become a critical aspect of driving performance for businesses. For every \$1 invested in a personalised ad, you can generate \$20 return on investment (ROI).

By tailoring your ads to your audience, you can increase the likelihood that they will engage with your brand and take action. It's important to benchmark regularly, ensure your ads align with your landing pages, and audience, and test variations to find what works best.

Consider whether to personalise ads within the same RSA, different ones, or different ad groups, based on the level of change and potential impact, as well as how different the search intent is across segments. If the search intent is the same, it often makes sense to personalise within the same RSA. If it differs significantly, it's best to personalise across different ads.

Remember to use ad experiments to validate changes and make sure that you're testing a single variable at a time, so you can isolate the impact of each change.



Optimising your bidding strategy

Selecting the appropriate bidding strategy can either make or break the performance of your ad campaign. A well-designed bidding strategy takes into account your goals, the competitiveness of the market, and the performance of the ad, among other factors.

Train the machine learning algorithms by providing a stable environment for your campaigns. By using data exclusions to remove noise when needed, you can ensure that your bidding strategy isn't affected by competitors, irrelevant data, or poor performing segments.

"Marketers are told to 'trust the force' i.e. Google's machine learning algorithm. Blindly trusting Google to optimise for your targets is asking for problems."

Here are three important points to consider:

- Machine learning algorithms are designed to optimise towards the average, which means they may not exclude poorly performing segments or audiences. It's essential to monitor your campaign data regularly to identify and exclude any underperforming segments or audiences. By doing so, you can prevent them from negatively impacting your bidding strategy.
- Data exclusions can be used to address conversion tracking issues such as offline import failures or incorrectly placed conversion tags. It's recommended to exclude data for one conversion cycle in case of broken conversion tracking or exclude data until the issue is fixed for temporarily unable to upload offline conversion data. Data exclusions should not be used to address conversion fluctuations as it may negatively impact Smart Bidding performance.
- By using seasonality adjustments, you can prepare your advertising campaigns to take advantage of key moments before seeing a notable increase in performance. For example, if you're running a holiday promotion, you may want to increase your bids a few weeks before the holiday to capture more traffic and sales.



Quality traffic over quantity traffic

Paid search and shopping ads are powerful tools to attract new customers and increase website traffic. However, it's important to focus on quality traffic rather than simply generating clicks that will never convert.

Understand your buyer's search behaviour

By monitoring your top-converting search queries, not just keywords, you can ensure that you don't miss out on valuable traffic and conversions.

For example, let's say you're running a Google Ads campaign for a men's grooming brand. Your keyword list includes "beard oil," "razor," and "shaving cream."

After analysing your best-performing search queries, you realise that "beard oil for sensitive skin" and "best razor for sensitive skin" are driving the most conversions. By optimising your ads and landing pages for these search terms, you can increase conversion rates.

Strike a balance between cost and opportunity

Broad match allows advertisers to reach a wide audience and capture more traffic, but it can also lead to irrelevant clicks and wasted spend if not used strategically.

While some advertisers may be hesitant to use broad match targeting due to concerns about cost, it's important to consider the potential benefits. By casting a wider net, and using Google's additional signals, you may be able to reach new audiences who are interested in your products or services but may not have been targeted by your more specific keywords.

This is where Google's machine learning capabilities come in. By analysing data from past campaigns and running the auctions again, Google can help determine which search queries are most likely to be relevant to your ad and which ones are not.

Make brand protection part of your strategy

Brand protection is more important than ever as the advertising market gets more competitive. If you do not protect your branded terms, your competitors may bid on them leading to confusion among customers and lost sales.

Don't get lured into an unprofitable bidding war

But it's essential to be mindful of the cost of brand protection, as it may become unprofitable if the cost outweighs the benefits. For instance, if you operate in a highly competitive industry, protecting your brand could be expensive, especially if you are bidding against large competitors with significant marketing budgets. In such a scenario, it may not be profitable to bid on your brand name, as the cost per click could exceed your profit margin.

To make the right decision on whether to increase spend for your own brand search terms, you should analyse your competitors' strategies and evaluate your profit margin.



Tip:

Use Google's auction insights to compare your performance with other competitors who are participating in the same auctions that you are.

Invest in Microsoft Ads

While Google Ads is undoubtedly the biggest player in the game, it's vital to consider other platforms, such as Microsoft Ads, formerly known as Bing Ads.

With over 100 million unique searchers in the US alone, Microsoft Ads has been known to generate higher return on ad spend (ROAS) despite having lower search volume compared to Google Ads. This is mainly due to the platform seeing a lower cost-perclick (CPC), which means you can drive more engagement with your budget

However, it's important to approach this platform strategically and respect its unique features. Microsoft Ads has its own algorithms and targeting options, so it's crucial to spend time learning and optimising your campaigns to get the most out of it.

"Microsoft's machine learning is weaker than Google, so their CPA targeting doesn't work as well."

Give your campaigns enough time

One crucial factor to consider when investing in Microsoft Ads is the time it takes for the platform to learn and optimise. Like any ad platform, it takes time for Microsoft Ads to understand your campaign goals, target audience, and keywords. Rushing this process can lead to poor performance and wasted ad spend.

Focus exclusively on top-performing keywords

Import only the best performing keywords from your Google Ads campaigns, as not all keywords will perform the same on Microsoft Ads. By focusing on the best performing keywords, you can maximise your ROAS.

Start small

Be careful not to overload the system with too much inventory too quickly. Instead, start with a smaller campaign and gradually increase inventory as the platform learns and improves performance.

"Marketers treat Microsoft Ads like they're pushing a bull into a china shop. You won't see better results by using the same target CPA and inventory as Google Ads. Start small and give the platform a fair chance to prove itself before scaling up both your campaigns and investment."

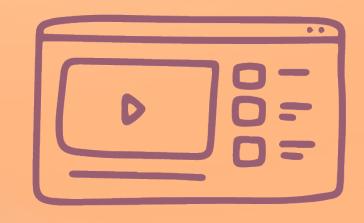




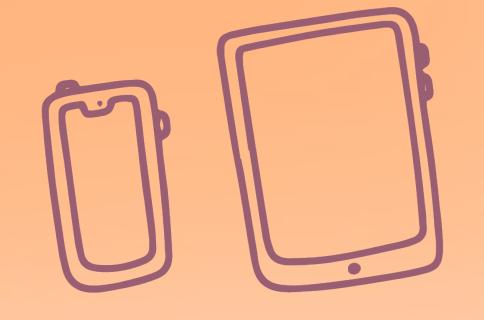
Mastering Display & Video Ads:

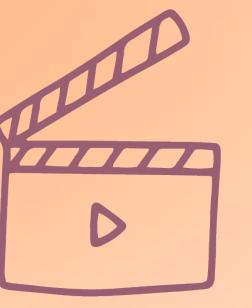
From Awareness to Action













43% of PPC professionals say display ads are their least effective channel – yet 84% of them are still investing in the channel. So display ads clearly aren't dead (yet, at least). But where do the sources of frustration come from?

For starters, a good display ad click through rate is around 0.05%, which pales in comparison to the 3% you'd expect to see with search. On top of that, based on data we've collected at Lunio, 36% of all display ad clicks are either fraudulent or invalid. So if you don't carefully consider your targeting and proactively block fake ad engagements, display can be incredibly inefficient.

In contrast, video ads, especially on YouTube, are proving to be a promising growth area for many brands. Click through rates tend to hover around 2% and YouTube ads often drive significant increases in direct and branded search traffic. This helps explain how YouTube generated more than \$7.9 billion in ad revenue in Q4 of 2022 alone.



Silvio Perez
Founder of AdConversion

For this chapter, we interviewed Silvio Perez, founder of <u>AdConversion</u>. His 10 tips will help you maximise performance across Display and YouTube – with a focus on refining your targeting, ensuring brand protection, and optimising ad viewability.

AdConversion, a digital advertising academy teaching B2B marketers how to scale paid ads for free, regardless of skill level. Silvio has also profitability managed \$100M+ in ad spend for some of the fastest-growing B2B startups and was formerly the Head of Performance & Product Innovation at Metadata.

Silvio is also the author of Google Ads Profits and has published 50+ in-depth marketing tutorials on his <u>YouTube channel</u>.



Avoid Google Display Network and use a third party **DSP** instead

If you're serious about scaling this channel, Silvio strongly recommends purchasing inventory through a third party demand side platform (DSP) rather than running display through Google Ads. There are several important reasons for this:



Enhanced Targeting

When you use Google Display Network, you're buying inventory on the millions of sites that have opted into Google AdSense (i.e. the biggest sell side platform in existence). But when you do so, you're limited to the targeting options Google gives you, namely, in-market audiences, custom intent audiences, and customer lists.

But if you use a third party DSP you gain much more flexibility and control, such as IP address targeting and ABM targeting to put your display ads in front of specific accounts. Plus, still retain the ability to buy Google Display Network inventory through all major DSPs in addition to other exchanges such as OpenX.

Controlling Costs

Marketers often think when they spend a dollar on display, all of it goes towards actually buying inventory. But Silvio pointed out this isn't the case.

"In reality only around 60 cents of that dollar goes on the inventory itself. There can be up to a 40% markup due to hidden costs associated with that buy."

Running ads through a third party DSP won't eliminate these extra costs. But because you have much more control over your supply chain, it gives you greater visibility over costs which can help minimise the problem of overspending on inventory.

Which third party DSP should you use?

Historically, third party DSPs were inaccessible to most brands due huge associated costs. But that has begun to change in recent years thanks to the rise of self-serve DSPs designed to serve mid-market businesses. Silvio's top two recommendations are:

- StackAdapt
- Ad Lib

"I'm not running a single dollar through Google Display Network currently."





Gaining access to the larger programmatic ecosystem

Once you get started running display through a third party DSP it opens up the door to different (and often more effective) forms of programmatic advertising. For example, you might want to start experimenting with digital audio ads on Spotify or connected TV ads on Hulu.

Should small brands ever use display?

Silvio recommends that startups and small businesses on a tight budget should stick with Google Discovery over Display. With display, you have to vet thousands of placements you're eligible for and the process of pruning down that list is very time consuming.

"Discovery limits you to three placements - YouTube, Google Discover Feed, and GMail - so it's much easier to manage. So for smaller brands I always recommend starting with that and if they want to get into display then just stick to remarketing."

Note:

To learn more about Discovery campaigns, check out this guide.





Always use whitelists and exclusion lists

A whitelist is a list of approved domains that you're willing to serve your display ads on. And an exclusion list is the opposite - a list of shady or suspect domains you don't want to appear on.

Your whitelist should include websites you know are authoritative, trusted, and frequently visited by members of your target audience, such as established industry publications or respected local news outlets.

As well as including shady websites on your exclusion list, you should also consider websites that an automated system might think are relevant to your campaign but that you know shouldn't be associated with your brand. For example, if you're in the financial services industry, you might want to use an exclusion list to keep your ads from appearing in the finance sections of politically extreme news websites.

The bottom line is, if you're not using whitelists and exclusion lists when running display ads, you're wasting budget and exposing your brand to considerable risk. At Lunio we've put together a 60,000+ display network exclusion list of low converting / spam website and junk mobile app inventory. Download the list and apply it to your campaign to get an instant uplift in performance.

Download Lunio's 60k display <u>placement exclusion list</u>



Use content exclusions and look into pre-bidding solutions

Alongside vetting placements with whitelists and exclusion lists, you should further improve brand safety through content exclusions. These let you opt out of showing your ads alongside certain categories of videos and other content that may not be appropriate for your brand or serve your advertising goals.

Pre-bidding solutions

With Google Ads Manager you're limited to the natively available placement exclusions and content exclusions. But this only offers a baseline level of protection.

If you use a third party DSP you can use vendors like <u>Integral Ad Science (IAS)</u> to further enhance your brand safety protocols.

"IAS vets each placement before you even enter the auction. It will check to see that it's brand safe i.e. that the contextual content isn't associated with drugs, alcohol, terrorism, adult content etc. It will also vet for things like suspicious activity. So if a website has been flagged for suspicious activity in the past, it'll prevent you from bidding on the inventory."

Verifying placements through ads.txt

If you have the ability to filter your buys based on publications that have ads. txt, it's really beneficial. It's a little piece of code that these publishers place on their site so they can manually verify that they're legitimate. This helps ensure you're only buying inventory from authorised vendors.

Always check your placement report

Make sure you're constantly checking your placement report for signs of suspicious activity or ad fraud. Look at your engagement metrics from each traffic source on GA4. If you spot high levels of traffic with little to no engagement, it's a strong indicator of invalid traffic.



Tip:

Rather than manually screening for potential fraud and invalid traffic, implementing **Lunio** to block all fake ad engagements automatically eliminates the problem at the source.



If running ABM display campaigns, use very narrow targeting

Rather than thinking "Am I getting in front of the right company?" You should think "Am I actually driving enough exposure so those companies can remember us and engage?"

If you upload a list of 10k target accounts and spend £100 a day on targeting, that's going to do very little (if anything) to drive revenue growth. Within those 10k target accounts, there are often up to 100k employees. So when you do the math, you'll be spending a fraction of a penny per employee at each account. In other words, a complete waste of time and money.

"A single impression on a target account does not equate to awareness."

Instead, segment your account list into tiers based on potential value to your business. Tier 1 should include up to 50 ideal companies. And the vast majority of your ABM display budget should be spent on them. This allows you to saturate them with impressions at the company level.

"If you want to make a real impact you want to aim for at least 10k impressions per account. You're looking for a correlation on opportunities being influenced based on the amount of exposure per account."

Display retargeting

On the flipside, if you're not running ABM, display works best when you use it to stay top of mind through retargeting. You're getting additional touchpoints at very low cost, so it's almost always worthwhile.

Cookieless retargeting

With the impending deprecation of third-party cookies on Chrome set for 2024, many brands are looking for ways to maintain the effectiveness of their retargeting campaigns. Silvio explained that pushing in-feed native consumption on platforms like LinkedIn can be effective here.

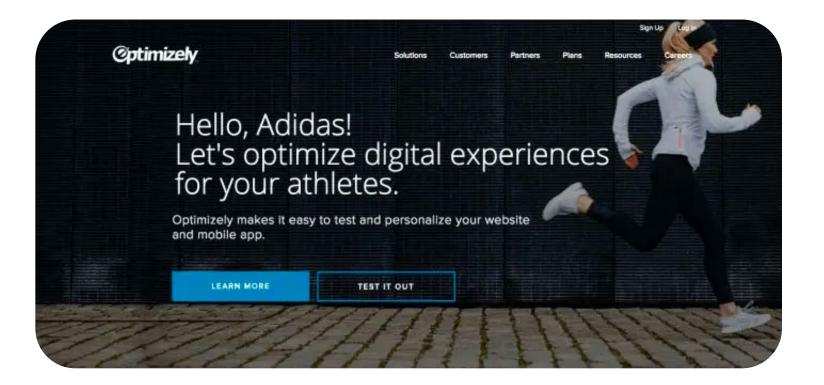
"If you're running LinkedIn ads, you can still retarget based on video views, image interactions, company page visits. None of that is cookie based."

As cookies are phased out the question to start asking is - "How can I acquire as many first touches possible for the lowest cost in feed to fuel my retargeting campaigns?"

Use personalised and animated creative

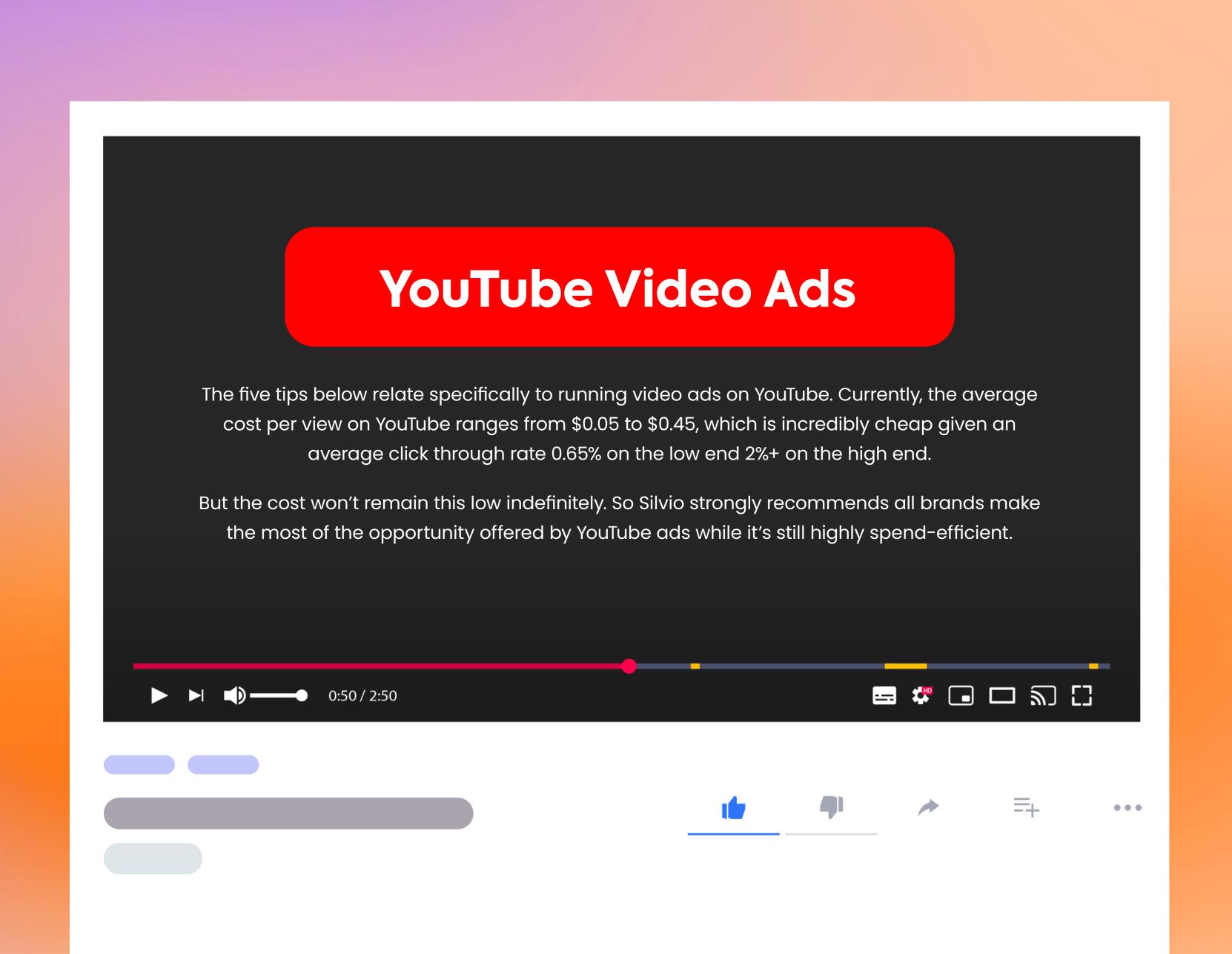
Following on from the previous tip, if you're running AMB display campaigns, personalised creative is essential for maximising engagement and impact. You want to explicitly call out your target accounts within your ads.

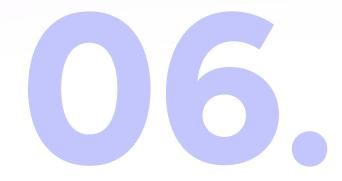
"Personalised creative for one-to-one ABM campaigns will lift your click through rate significantly, transforming these placements into very cost effective inventory."



For other kinds of display campaigns, animation can help drive a significant uplift in performance. And thankfully, animated ads are now much easier to create with the help of tools like <u>Creatopy</u>. Even <u>Google Web Designer</u> now allows you to create animated HTML5 ads, so it's a great starting point if you've never experimented before.

Once you've got some experience with HTML5, you should aim to move on to dynamic display ads where the layout and messaging is tailored to the user based on previous interactions with your website, other websites, and demographic data.





Don't try to repurpose social video ads

You might already be running video ads on social platforms like LinkedIn and Facebook. And there's an understandable temptation to try and reuse that creative for your YouTube campaign. But Silvio explained that's a bad idea, for several reasons.

Aspect ratio

Social videos are usually 1200 x 1200, but the ideal aspect ratio for a YouTube ad is 1200 x 628, so it won't correctly fit the placement.

Editing style

YouTube ads tend to have their own unique editing style that differs from social videos. They typically use fast cuts and lots of animation to maximise click-through rates. People have become used to this on YouTube, so it's important your video ad aligns with viewer expectations (stylistically at least).

Optimising the "hook"

Most importantly, social video ads aren't created with the hook in mind. The hook simply refers to the opening five seconds of your ad. And getting it right is vital on YouTube if you want to control your costs and maximise performance.

"Because you're not charged for a "view" until at least 30 seconds of your ad has been watched, the key to success is keeping your view rate low and your click rate high. And achieving that is almost entirely dependent on your video opening.

"Your hook needs to strongly resonate with the right person and repel the wrong person. As the old saying goes, if you're speaking to everybody, you're speaking to nobody. And that's very true when it comes to YouTube ads."



Write and test multiple hook variations

Given that your video hook is so important, you should aim to create 5 - 10 different variants to test. This will help you hone in on the best performer and maximise future spend efficiency.

How to come up with ideas for hooks

When Silvio is crafting hook variants, he looks to testimonials first.

"There's so much gold there. What are the things customers like about your product? What use cases are they calling out? What pain points are you solving? That usually gives me more than enough inspiration for hook angles and video concepts."

By focusing on what your existing customers are saying, it helps ensure your hooks will resonate with similar audiences of like-minded people.

Direct vs indirect hooks

There are generally two different ways to script a hook: direct and indirect.

With a direct hook, you simply ask the viewer a qualifying question e.g.

"Are you're a B2B marketer looking to learn how to rapidly scale your pipeline and revenue? Then stick with me for the next 30 seconds and I'm going to show you a step by step framework that helped me achieve X"

With an indirect hook, you're not asking a question, but only a very specific person will relate:

"There's nothing like having to hit pipeline and revenue targets when your budget has been cut in the same year, but let me show you exactly what I did to hit my goals with less ad spend Ist quarter..."

Play around with both types to see which works best with your audience. Aside from your script there are other subtle elements that can make your hook even more effective such as the B-roll you've used, what the actor looks like, and the accent of the voiceover.

"Monday.com does this really well with their YouTube ads. They've gotten to the point where they're micro-optimising different parts of their videos. They test different actors, voiceovers, animations, and edit cut points. It's hard to appreciate the level of work that's going on behind the scenes of these campaigns."



Focus on your script and keep production costs low

If you're just getting started with YouTube ads, don't make a big upfront investment in studio-quality production value. You need to spend a little (i.e. £500 - £2000) to bring your concept to life, but Silvio made a few helpful recommendations to keep your costs down.

Use a tried and tested video structure

The vast majority of YouTube video ads tend to follow the same formula:

- Hook
- Problem
- Solution
- Social proof
- Call to action

You can use this to your advantage to create multiple videos inexpensively. Instead of producing five completely different videos, simply create it once but refilm the hook 10 times. The rest of the video can stay the same. This will keep your costs down and allow you to rapidly test the part of the video that will have the most impact on performance.

Never outsource your script

It's very hard to find good freelance writers. Those with impressive portfolios often charge £3000 or more for a 30 second video script. And there's no guarantee they'll get it right.

You know your customers better than anyone else. So use that knowledge and channel it into your script. There's a much better chance you'll be able to craft something that resonates with the right audience than a freelancer who's only just learned about your business yesterday.

Once you've got an initial draft then edit, edit, edit. The more rounds of revision you put your script through, the better it will be. This is the part of the process where you should invest most of your time and effort.

Outsourcing production

Unlike writing, video production is very easy to outsource. The results you'll get are much more reliable and predictable. So once you've written a script you're happy with, you can start looking at freelancers on Fiverr and Upwork to bring it to life in an affordable way.

"Lusha has great examples of simple but effective video ads." They develop a really strong script and then use B-roll and basic animations to create the video. I can't imagine they're paying anything more than a few grand per video."



Set frequency caps

No one likes seeing the same ads they just skipped 6 times in the same day. That's why YouTube has introduced the frequency cap. This feature allows you to limit the number of times your ads are displayed to each user. There are two types of frequency cap:

- Impression Capping Limit the number of times your ad is shown without the user interacting with it.
- View Capping Limit the number of times your ad is shown if the user watches it for at least 30 seconds or interacts with it.

Impression capping will stop your ads annoying potential customers. It also weeds out some of those who are unlikely to convert. View capping will help you retain tighter control over your budget as you're not paying to replay the same as again and again to the same viewer. Ultimately, using both these caps effectively can reduce your wasted ad spend.

Scaling your impression capping

Silvio recommends starting very conservatively at one impression every 48 hours and increasing from there. The next logical step would be one impression every 24 hours, and then cut down in six hour increments from there to a maximum of one impression every 6 hours.

There are times when you might want to be even more aggressive though - for example if you've got a conference or webinar and the date is approaching. In those cases you might want to go to one impression every 2 hours.

10.

Don't measure success on direct conversions alone

I Don't measure YouTube success solely on direct conversions. Make sure you're monitoring the "halo effect" through brand and direct traffic increases.

Many viewers who don't click on your ad will remember your brand and go on to visit your website directly, or look you up on Google. So an effective YouTube campaign should correlate with an overall increase in traffic to your site.

"Look at your baseline figures for direct and branded search traffic on Google Analytics before launching your YouTube campaign. If you're not seeing any increase over time, it's an indication you need to revise your creative to make it more impactful. Having self-reported attribution is also helpful to see if new prospects/customers cite your YouTube as where they heard about you."











Breaking the ROI Barrier



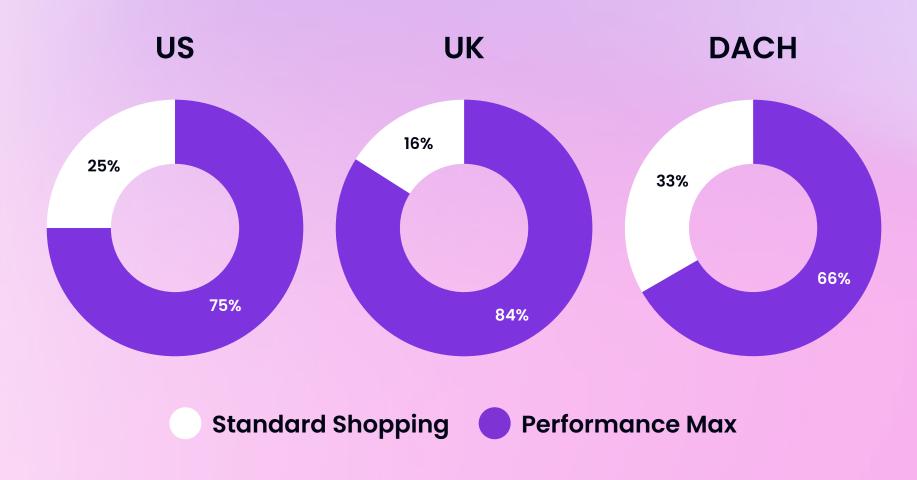








Performance Max is here to stay. And that shows in the adoption rates across the world. The charts below show the origin of Shopping clicks for three different regions:



So how can you use this "all in one" campaign type to drive greater revenue growth?

Getting things wrong here can prove to be a very costly mistake. If you feed the algorithm bad data, or fail to use an intelligently designed campaign structure, you're setting yourself up to rapidly waste a significant chunk of your budget.



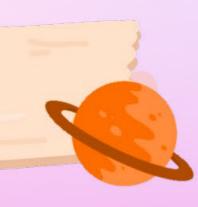
Miles McNairFounder of PPC Mastery

For this chapter, we interviewed Miles McNair, Google Ads Expert and Co-Founder of PPC Mastery. His tips will help you steer PMax more effectively towards your goals while maximising your return on ad spend.

Miles has worked with 100+ eComm brands and profitably spent >€50M on Google Ads. Unlike agency owners or 'gurus', he actually manages Google Ads campaigns every single day. Everything he teaches is based on real, practical experience.

To learn more about Performance Max and get lots more tips from Miles and other PPC experts, check out our dedicated guide:





Get clear on your goals, targets, and KPIs

As cliché as it sounds - if you don't know what you're aiming for, you can't determine whether your PMax campaign was successful. This point feeds back to the general advice given at the beginning of this guide - based on your historical performance data, you need to work out what your unique version of success looks like.

- Is it a particular ROAS target?
- Is it a particular monthly sales volume?
- Is it a specific number of new customers?
- Is it a certain cost per lead or cost per sale target?

Every business is different. So you can't simply adopt the same goals you've seen applied elsewhere. You need to do your due diligence to work out the overarching goal that will help you hit your revenue-growth targets. Nobody else can (or will) do it for you. "If you press ahead without getting clear on this first, it's really hard to celebrate wins when things are going well, or catch problems early if your PMax campaign begins to go astray."

Look at PMax performance holistically

To get the best results, Miles emphasised that:



Performance Max is not...

A replacement of your dedicated campaign types.



Performance Max is...

An additional layer to fill in the gaps and maximise your reach. In other words, you need to optimise your entire Google Ads account.

"PMax is a piece of the puzzle. Not the puzzle itself."

Minimising PMax Cannibalisation

Cannibalisation occurs when you run two or more campaigns that target the same search query. And it often leads to ad spend inefficiency.

Since PMax covers a much wider range of ads, if you're not paying close attention, it will begin to cannibalise some of your other campaigns and claim credit for the sales. The table below shows the impact of PMax on the campaigns in the first column, and which campaign actually enters the auction.

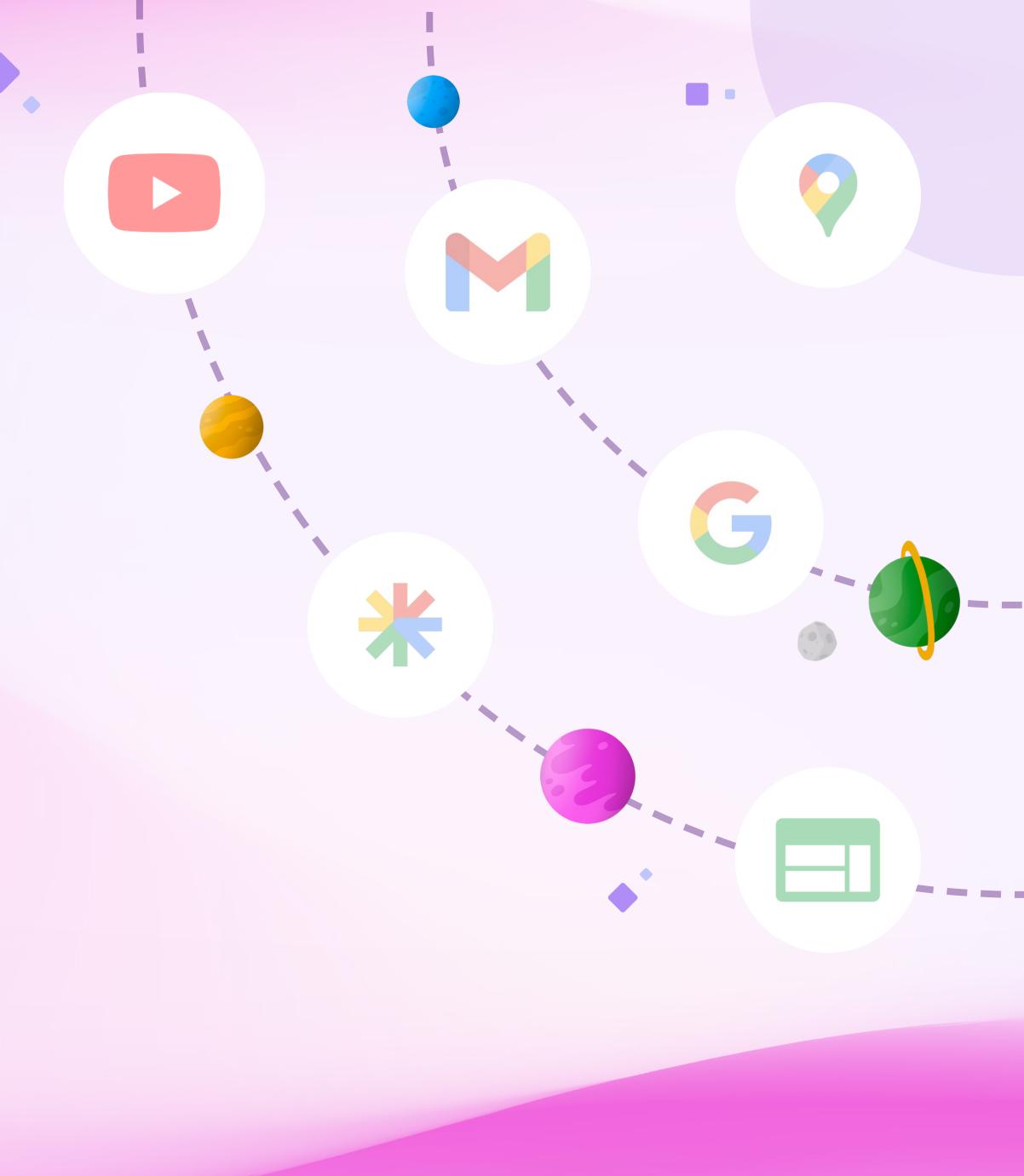
Campaign 1	Campaign 2	Campaign In Ad Auction
Search Campaign - exact matched queries	Performance Max	Search Campaign
Search Campaign - other queries	Performance Max	Campaign w/ higher ad rank
Standard Sopping Campaign	Performance Max	Performance Max
Display Dynamic Re- marketing Campaign	Performance Max	Performance Max
YouTube In-Stream Campaign	Performance Max	Campaign w/ higher ad rank
Discovery Campaign	Performance Max	Campaign w/ higher ad rank

You need to understand what PMax does with your entire account structure - where is it likely to cannibalise? And what changes do you need to make as a result?

If you're using a lot of broad and phrase match keywords in your Search campaigns cannibalisation becomes a much bigger issue. PMax will take priority for the vast majority of queries due to higher ad rank. And this makes it harder to judge its true incremental value.

"If PMax eats up all the data from your Search campaigns it might look good on paper. But the overall performance of your account might dip because you could have got the same results with less ad spend on Search by implementing more granular control over search terms and exclusions."

To minimise the impact of PMax cannibalisation, you need as many keywords as possible in your Search campaigns that are identical to the search queries that perform well for you. Then PMax will work to fill in the gaps you might have missed with your targeting.





Consider running a feed-only PMax campaign structure

This tip is primarily for eComm brands that don't want exposure on upper funnel placements. Using this structure makes most sense when you don't have great video and image assets.

If you create a PMax campaign with a single asset group that doesn't have any other assets besides your dynamic data feed, you're essentially closely emulating a traditional Smart Shopping experience.

If you haven't got quantified goals in mind it's very easy to spend hours looking at all the numbers in the dashboard trying to make your budget allocation decisions.

"With this structure, PMax will tend to focus 95% of your budget on Shopping. The other 5% typically gets spent on dynamic remarketing or Search. This gives you much more financial control and predictability because the campaign is so bottomfunnel focused."



Try the Producthero campaign structure (eComm)

This is the campaign structure Miles now tends to use for the majority of his eCommerce clients. It's designed to maximise exposure on your top performing products, limit exposure on your worst performing products, and give more visibility to products without impressions to test the waters.

Performance is based on ROAS combined with a click threshold. Based on your historical performance data, Producthero automatically labels products into different categories:

- Heroes Above ROAS target and exceeding click threshold.
- Sidekicks Above ROAS target but below click threshold.
- Villains Below ROAS target and below click threshold.
- Zombies Products without any impressions.

You create a separate PMax campaign for each product category. And products are then swapped and shifted between campaigns based on changes to labels.

Check out Producthero's guide for more detail on how to set this structure up correctly:

How to Use Producthero Labeliser For PMax Campaigns

"The advantage here is it gives you much more control over which products you're driving impressions towards, how aggressively you're pushing them, and which products you're scaling down. In most cases it makes sense to dedicate around 50 - 60% of your budget on the Heroes campaign.

If you leave it entirely up to PMax to decide which products to spend your budget on, the vast majority will be completely ignored and won't get any impressions at all. The algorithm will spend aggressively on your top performers and forget the rest, leaving stock unsold on your shelves."

Note: You don't need to use Producthero for this, they were simply the first brand to popularise this campaign structure. Other PPC experts have created their own automated labelling scripts you can use. Or you can even assign labels manually (although this is obviously quite labour intensive and requires regular review to make updates based on recent performance).

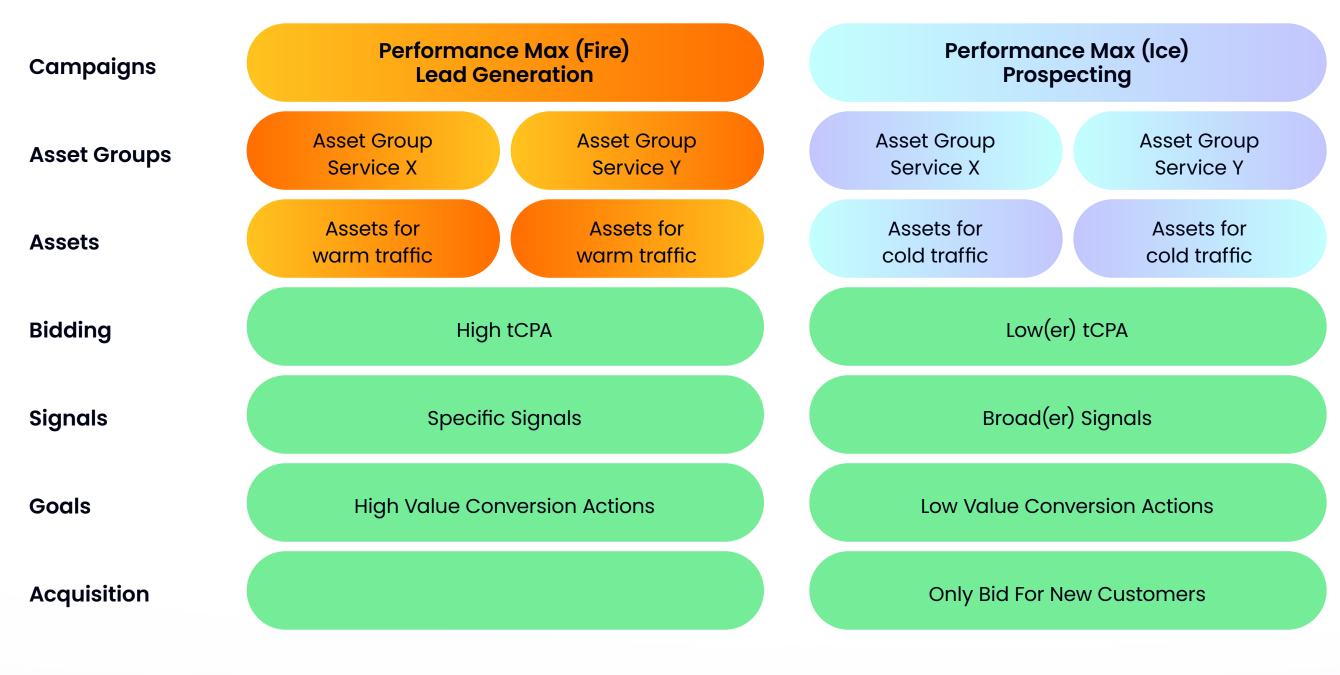
Try the "Fire & Ice" campaign structure (B2B)

While Miles focuses primarily on eCommerce, his Co-Founder at PPC Mastery, **Bob Meijer**, is a B2B lead gen specialist. Bob devised the "Fire & Ice" campaign structure to help his clients achieve better results with PMax.

The main issue with using PMax for lead gen is that a single offer (e.g. Book a Demo) is pushed across both bottom-of-funnel channels like Search, and top-of-funnel channels like YouTube, Display, and Discovery. And if you're selling an expensive product or service, pushing a demo or consultancy call in upper funnel channels simply won't drive clicks or conversions.

To get around this problem the Fire & Ice structure creates two separate PMax campaigns - one focused on prospecting "colder" traffic in upper funnel channels, and the other focused on converting "warmer" traffic coming primarily through Search.







In your Fire campaign:

- All assets within each group are geared towards Search and push a bottom-of-funnel offer such as a consultation call, free trial, or product demo.
- Use a higher target CPA bidding strategy to bid more aggressively as your lead-toclose journey is likely to be relatively short.
- Use very specific audience signals such as your remarketing list and custom intent audiences to hone in on the warmest traffic.
- Set one campaign-specific goal (e.g. demo completion). If you fail to specify this goal PMax will begin to steer for other account-specific goals such as eBook downloads.



In your Ice campaign:

- All assets within each group are geared towards pushing lower value conversions on upper funnel networks such as eBook or whitepaper download, checklist, cheatsheet etc
- You may need to re-write some of your headlines and descriptions within these given that audiences will likely be completely unaware of your brand / services.
- Steer towards a lower target CPA because the lead-to-close journey will be much longer compared to your Fire campaign (traffic from upper funnel networks is also cheaper).
- Use custom intent audiences in your audience signals, but broaden them out in comparison to your Fire campaign. You can add in native in-market or affinity signals Google is offering later on, but don't start with those.
- Set one low-failure conversion goal (e.g. eBook download) at campaign level.
- Make sure to use the New Customer Acquisition Goals feature within PMax to make sure you aren't reaching existing customers with your upper funnel offer.

06.

Invest in your own assets

Don't use Google's auto generated videos or video templates. Go the extra mile and invest in your own assets if you're serious about driving revenue growth with PMax.

When you don't supply your own video, Google will pull images, headlines, and logos from your asset groups and automatically create a video for you. To be blunt, these automated videos created by Google look awful. The animations are weird. The flow of content is incoherent from start to finish. And the background music used is often the worst of all.

That said, you shouldn't make a large investment in professional-quality video until you've tested several variants. Experiment with different messaging and imagery in lo-fi to see which converts best before approaching an expensive agency.

"If you use ChatGPT to generate video ideas, and then find creators on Fivver or Upwork to build them for you, you'll be spending a few hundred rather than a few thousand."

Avoid stock photos too

Many brands default to using these, meaning your image ads won't stand out. So hire a photographer to create your own branded product images. Don't attempt to take your own branded photos unless you really know what you're doing.

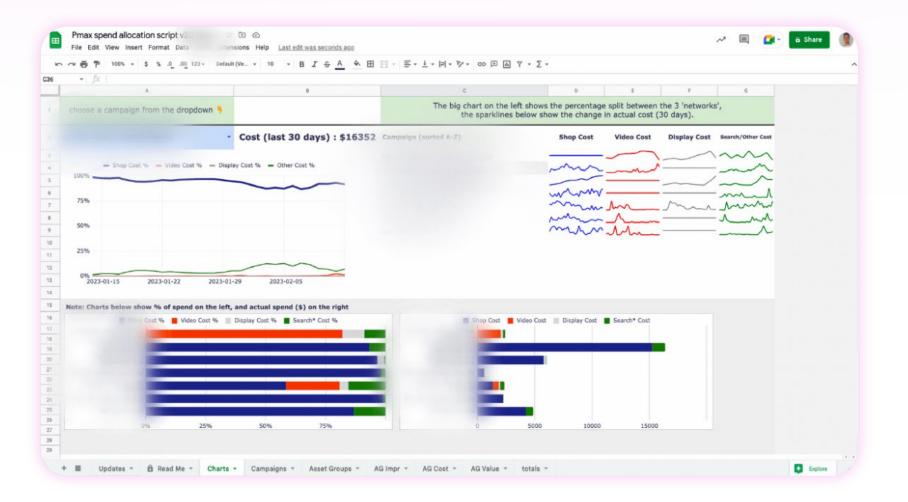
"Make sure your product is always very central in any images you're using to avoid display issues. And don't forget to optimise everything for mobile too, as sometimes that goes overlooked."



Use Mike Rhodes' PMax spend allocation script

One of the biggest downsides of PMax is you can't see how your budget is being split across Search, Display, Discovery, YouTube and Shopping. And that's a huge missing piece.

Thankfully, Mike Rhodes from <u>AgencySavvy</u> built an amazing script that creates graphs and tables that visualise PMax spend across Shopping, Video, Display, and Search. This is what it looks like:



Here are the different ways Miles uses the script for his own client accounts:

- In one overview, see where Google spent your PMax campaign budget
- Quickly identify trends are you spending where you want to?
- Create an action plan based on the insights
- See if/how much pMax cannibalises on your Search campaigns.

After setting up the script in your account you should analyse the data at least once per week to quickly take action on any new insights it gives you. The link to the vscript can be found below (both account and MCC-level scripts are available):

PMax Spend Allocation Script

"I was working with a client and the script revealed that their underperforming PMax campaign was spending 60% on video. So we reverted back to a feed-only campaign structure to remove visibility on upper funnel networks. And within a few weeks, performance started to increase."

Should you stick with PMax?

Miles noted if the script reveals that 95%+ of your budget is being spent on one particular placement type (e.g. Search, Shopping, or Video), PMax may not be the right option.

In those instances, he often recommends reverting back dedicated Search, Shopping, and Dynamic Remarketing campaigns for eCommerce, or a granular Search campaign structure for lead gen. The advantage of doing so is it gives you much more control over your ad spend.

"I don't see many well-balanced PMax campaigns. It's rare that you'd have 70% of your budget going on Search and Shopping with the other 30% going towards upper funnel networks to fill in gaps. Spend mostly skews very heavily (90%+) towards Search, Shopping, or Video."

Exclude branded search

People searching your brand will have outrageously good conversion rates compared to almost any other traffic. So if PMax is allowed to cannibalise on branded keywords within your Search campaigns, it's a big problem. It will take credit for those conversions and make it look like your PMax performance is very good, without actually doing anything new.

You want to ensure you're distinguishing your bidding and ad creative between prospects still in the awareness stages of the funnel with those who are simply clicking through to purchase, already decided.

So you should exclude branded terms from PMax and manage them uniquely in Search brand campaigns and in a query-filtered standard Shopping campaign.



Combine first-party data with Google-owned data in audience signals

Audience Signals let you suggest audiences to Google's machine learning algorithms to optimise conversions. It nudges your campaign in the right direction, namely, toward the audiences most likely to convert.

Miles noted it's important to understand this is not targeting in the traditional sense. It's merely a suggestion to the algorithm (many users tend to forget this). It's up to Google to decide whether to follow your signals or not.

In all cases, you need to make your audience signals very specific. Otherwise there is a big risk PMax will go too broad and show your ads to a massive, irrelevant audience.

The more signals you use, the wider your audience. So start by adding in very specific first-party data signals such as:

- New customers
- Frequent buyers
- High lifetime value (LTV) customers
- High average over value (AOV) customers

"If you're relatively small and you can't really make those segments yet, then uploading your entire customer list is better than nothing. But it's far from ideal."

Once you've added your first-party data then add in a limited number (e.g. 25-50) of your best performing search terms as a custom in market audience.

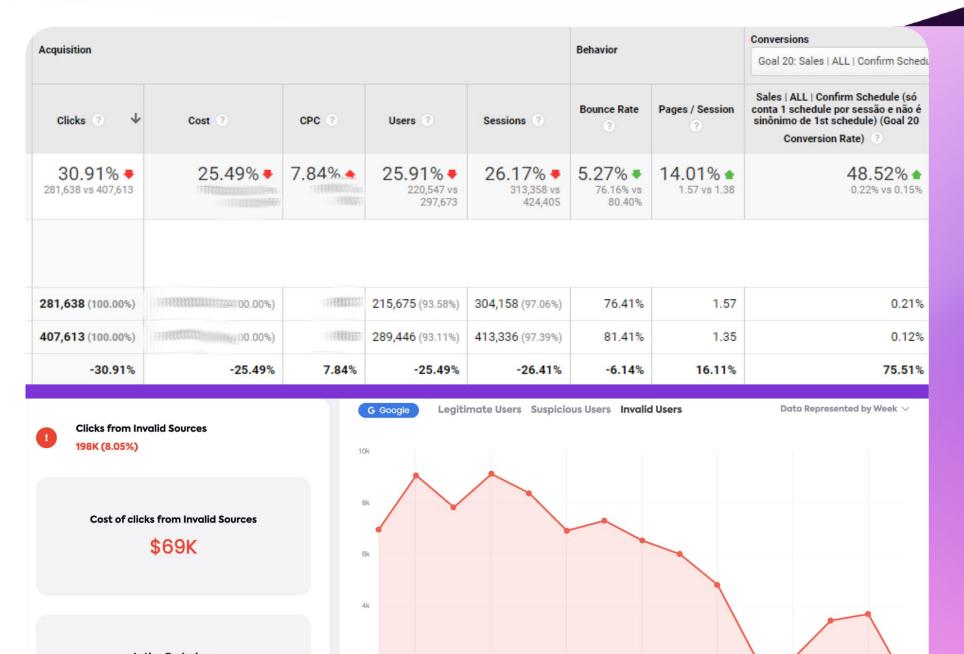
Interests and detailed demographics tend to go very broad - so stay away from broad categories / interests / affinities initially until you're ready to widen your net.

Eliminating bots & fake traffic

To further enhance your audience targeting, you should proactively protect your campaigns against bot traffic and junk leads. Based on data we've collected at Lunio, we commonly see around 10 – 25% of PMax ad spend is wasted on fake ad engagements.

Using Lunio to protect your PMax campaigns concentrates 100% of your ad spend on users with genuine conversion potential and prevents bad data contaminating your analytics.

After just one month, one of our enterprise retail clients reduced their costs by 25% while simultaneously driving a 48% increase in direct sale conversions.



136K IPs

Performance Max case study:

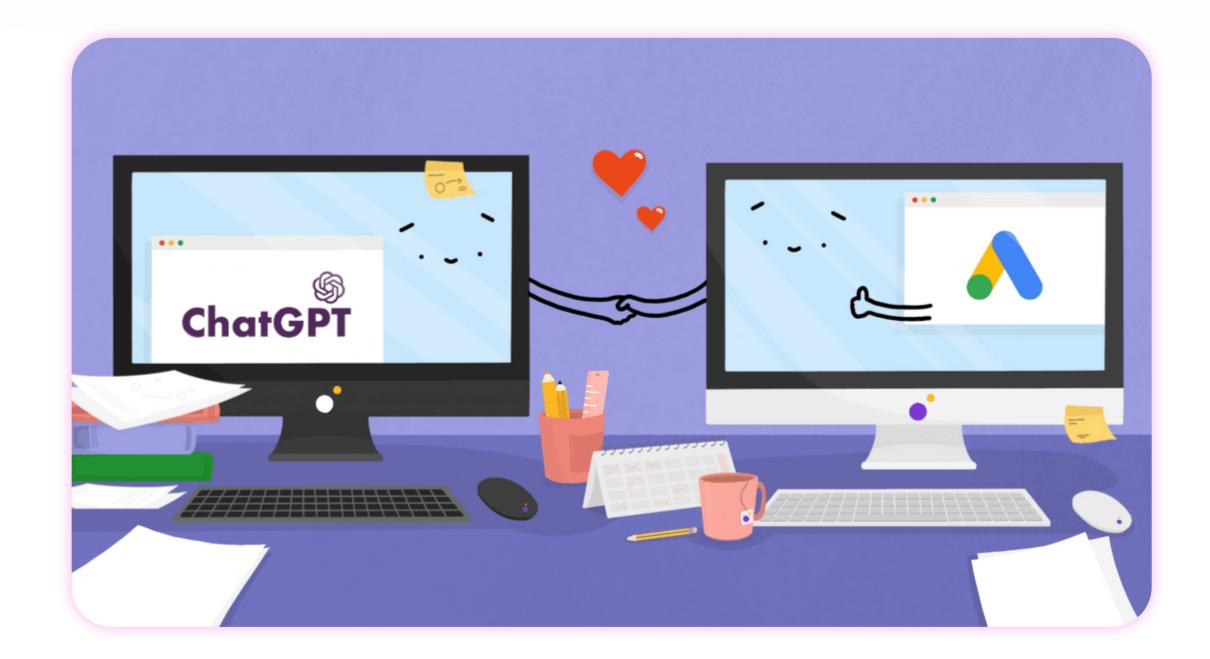
- Critical during learning phase
- 25% reduction in cost
- 31% drop in total clicks
- 48% increase in conversion rates
- 5.27% decrease in bounce-rates
- 14% increase in pages per session
- \$69K saved on invalid clicks
- 7.8% increase in CPC
- You pay more for genuine users!

Use ChatGPT

ChatGPT has the potential to boost your campaign creation efficiency by an order of magnitude when used correctly. What previously took two days of solid work can now be done in 30 minutes.

That said, ChatGPT outputs aren't perfect. And they probably won't fully resonate with your brand's tone of voice. But that can be solved with a bit of editing. What the outputs do provide you with is a foundation that's already 80% of the way there.

To help you make the most of Miles' final recommendation, we've created a seven-step framework to fully automated your ad campaign creation process. Use it to generate ideas, keywords, audience personas, ad copy, landing pages, and video scripts in minutes:



ChatGPT for PPC: 7-Step Framework to Automate Ad Campaigns











Paid social recently overtook paid search as an advertising channel, growing 25% YoY and exceeding \$137 billion in total annual spend (just edging out search's \$135 billion).

With more businesses pouring money into paid social, you need to make sure you're using your available budget efficiently to reach your revenue goals in an increasingly competitive space.

Higher campaign price tags, paired with the fact that many consumers have developed a tendency to ignore social ads, reduces the margin for error.

If you're not strategic with your spending, platforms like Meta and TikTok will happily eat up your budget without delivering a significant uptick in sales. So what are the key pitfalls to avoid?



Fiona Bradley Founder of FBComms

For this chapter, we spoke to Fiona Bradley, Founder of FBComms. Her 10 tips will help you to boost authentic ad engagement and reduce your cost-peracquisition across all social channels.

Fiona was named Social Media Business Woman of The Year 2023, and has worked on campaigns for Coca-Cola, the NHS, Rolex and many more. A committee member for the After Work Club and Guest Lecturer at Durham University, she has a proven track record of delivering outstanding campaign results.



Only spend on platforms where your audience are actually hanging out

Are people likely to be searching for physios on Pinterest? Probably not. So you're best investing in Google Ads if your audience is local and will be searching on maps over social media. Always check where your traffic and conversions are already coming from and double down on those areas. You don't need to be on TikTok just because it's the new trending platform.

You can use traffic analysis tools like <u>SimilarWeb</u> to uncover which channels are generating most traffic for your competitors. You shouldn't blindly follow what others are doing, but this can be helpful for giving you ideas for things you're not trying already.

"I had a client who had a competitor that was getting lots of traffic from Reddit. So we decided to experiment with Reddit ads. And it worked - they got a whole host of new loyal customers."



Here's Fiona's take on some of the most popular social platforms:

TikTok

TikTok works really well for eCommerce companies selling lower value products. It's harder to get the same level of conversions on luxury items.

If you sell higher value products, TikTok can still be useful for brand awareness campaigns and driving traffic to your site. You can then retarget those users and pick them up on Google or Instagram.

Facebook & Instagram

When you run ads through Meta Business Manager, you can split them between Facebook and Instagram. Often ads will be shown to more people on Instagram as it has higher engagement rates. With Facebook you tend to get fewer clicks, but more of those convert.

Facebook is really good for services like coaching and training. Localised ads and local stores also tend to do well.

LinkedIn

LinkedIn is the go to social channel for B2B businesses. But LinkedIn ads are incredibly expensive to run. So Fiona advises focusing on your organic strategy instead if you're on a tight budget. Start creating value-added content, build up your network, and strike up conversations with the people who engage with your posts.

Reddit & Quora

Reddit and Quora are two underused platforms. The ads are much more affordable than LinkedIn and deliver decent results when you get your targeting right. With Quora you even have the option to place your ads within the Quora Digest email, which can be particularly effective.



Don't neglect your organic content

If you're running ads from a dead social profile, it's going to be a bit suspect or look potentially like a scam if the last post was made in 2018. Just like your web domain and Google rankings, your social pages get a 'quality ranking'. So decent engagement on your organic content means your ads are likely to be deemed "more relevant" and shown to more people.

How often should you post?

Ideally posting frequency varies depending on your brand and audience. But if you want to gain traction, you should aim to post at least. For example, with Instagram reels daily posting is crucial for driving meaningful growth. With TikTok you should aim to post at least five times a week while tapping into all the latest trending audios.

That said, if you've got limited resources, it's better to post three times a week with content that's actually relevant. Don't continue posting daily just for the sake of it if you're getting no engagement.

Hashtags

Hashtags used to be more important as a search tool. But now all the social platforms will search the copy within your post itself and pull keywords from there. So you don't need to spend hours doing hashtag research anymore. As a general rule of thumb, using three relevant hashtags per post is enough.

"There's so much boring marketing spam in everyone's feeds. If you can make people smile you're far more likely to drive engagement and sales. For example, I recently created a video ad of a shark hand puppet making a cup of tea. I could have just talked about the product, materials, and specifications, but that would have undoubtedly been ignored."

Of course there are certain scenarios where humour isn't appropriate. Some ads need a more matter-of-fact treatment. For example, if you're a wellness brand focusing on mental and physical health there's not much space for humour. But outside of those particular cases, you should aim to spark an emotion, especially one people want to share which is the key to virality.



Don't rely on campaign budget optimisation

Most social platforms have an option where you set the budget at campaign level, and then let the algorithm decide which ad sets to allocate more of your budget towards based on performance. The problem with this is that one ad set tends to get all the traction and the others get ignored - so those products simply sit on the shelves.

Manual bidding on keywords, ad sets and ads means they'll all get enough airtime for you to see how well they're doing. You can then go in to move budgets over to those ads and audiences with the lowest cost per acquisition.

Maximising manual bidding efficiency

The key here is to know exactly what you're looking for. Have your KPIs set. What cost-per-click are you looking for? What kind of ROAS and conversion rate do you need to hit? When these numbers aren't being met, you can reduce the budget or switch off the ad set and tweak it.

If you haven't got quantified goals in mind it's very easy to spend hours looking at all the numbers in the dashboard trying to make your budget allocation decisions.

04.

Avoid boosting posts

If you've ever posted anything from a business Facebook or Instagram account, you'll have seen that big boost button. Don't push it. It's good for engagement (i.e. likes and views) if you've already got a well-performing organic post.

However, boosting posts offers you limited targeting capabilities. If maximising conversions and sales are your goal then Business Manager will allow much more detailed audience targeting and tracking.





Use less-common audiences

Sorry to break it to you, but most other marketers will also be targeting more affluent areas, and people who have generic interests such as "health and fitness" or "cooking". Instead aim to use more unique targeting such as people that follow the "Ironman" page, like a similar brand, celebrity endorser, or have kids of a certain age. Only show your offering to people who it'll be relevant for.

"I worked with a life coach who was advertising coaching services via a free webinar about overcoming overthinking. We decided to experiment by targeting people that had just come back from holiday between one and two weeks ago. That audience blew the others out of the water in terms of sign ups. So that's where we put all the budget.

On holiday people have time to relax and think. And when they come back, they often want to make a change in their life. And the webinar was a perfect fit for that frame of mind."

Generating ideas for audience targeting

It pays to think outside the box when it comes to audience targeting on social channels. So look at what your ideal customers are posting about on their pages. What kinds of threads are they starting or interacting with on Reddit? Do they ever mention any specific brands or influencers? It's also worth diving into audience interest reports on Google Analytics.

It's worth noting that Meta has become much better at wide targeting in recent years. If you have a large pool of historical conversion data the algorithm can pull from, you can just leave things running and give it enough time to optimise performance. But if you're new to running ads on the platform and it hasn't figured out who your best converters are, get specific.







You want your ads to blend into the feed as much as possible. So avoid logos, video templates and over-produced content. They say 'create TikToks, not ads'. That means showcasing your product or services without directly and aggressively selling.

User-generated content

Some influencers charge extortionate fees for 15-second videos. But user-generated content (UGC) can work well if you find the right people. Twitter is a great place to start as there's a huge active UGC community on there.

"Every time I put a call out for UGC on Twitter, I typically get more than 20 portfolios in my inbox I can choose from."



CapCut

If you'd rather not work with UGC creators, you can do it yourself using **CapCut** - which is still completely free to use. And provided you put a bit of thought and effort into it, often the output is just as good.

Optimising CTAs

If it's a paid social ad, it's going to have the "Shop Now" or "Learn More" button attached anyway. So you don't need to put anything overly pushy or salesy in the copy itself.

CTAs are more important to think about when it comes to organic posts. What is it you want viewers to do? You need to be explicit, otherwise they'll do nothing.

- Save this post
- Share it with friends
- Tell me what you think in the comments
- Tag us in your photos to be featured on our page



Only use lookalike audiences with enough data

If you've got a small number of customers, the platforms will find it hard to generalise and find decent lookalikes. If you have a batch of 10,000 super loyal repeat customers, the algorithm will have a much easier time finding people similar.

As a minimum cutoff point, Fiona advises against using lookalike audiences unless you've got at least 5,000 really engaged and loyal customers. And the "engaged and loyal" part really matters. If you've got 20,000 overall customers, but they're not loyal repeat buyers, it's not going to work as well.



TIP:

Always exclude your current customer list when using lookalike audiences to avoid spend inefficiency due to audience overlap.



Make sure your tracking is properly set up

Each platform uses their own tracking systems, usually a piece of code called a tracking pixel that you'll have to upload on the website. When customers take action on your site, these codes will fire and tell your ad platform it's working and your ads will get shown to more users.

After setup, make sure your pixel is working correctly. Meta Pixel Helper (other social platforms have equivalent features) reports common errors that can happen after installation:

• Check out this guide to troubleshoot common pixel tracking errors

Always crosscheck your conversion data

Even when your pixel tracking is working correctly, you should never take the sales and conversions you see within social platforms as gospel. Pixels record clicks. But someone can click on your website and then be refused for finance or payment may have been declined.

Always crosscheck the sales you see in the social platform with CMS and Google Analytics data. They'll inevitably all tell you different numbers. So you need to define what your source of truth is. What are you actually going to base your performance off?

Ultimately, the only thing that really matters is the money that went into your bank account. Which is another reason why calculating your marketing efficiency ratio is so important:

Total revenue from paid media ÷ total paid media spend = marketing efficiency ratio



A/B test everything

Your first ad is almost always going to perform poorly. So you should be setting up multiple audiences, creatives, calls to action, and conversion points to continuously improve your ads and reduce cost per click every time you run a new campaign.

"Always experiment with products too. Sometimes people just won't care much about a specific product on a specific platform, no matter how good your ad is. If things aren't working out, switch off the campaign and test the product on a different platform."

Optimise your checkout process

There's no point running ads and spending money if there's a huge drop-off between initiating checkout and purchase because your PayPal button isn't working. Check each step is optimised at the outset. Here are few things that can kill your conversion rates:

- A slow or poorly designed website
- A postage payment that's way above average
- A complex purchase process with multiple steps
- A basket that's hidden in the menu and difficult to access
- A purchase page filled with terms and conditions copy

"You should be checking your campaigns every day to nip these kinds of problems in the bud. If you only check on a weekly basis you may have already spent thousands of pounds before you realise you've got no conversions because you drove visitors to an incorrect landing page."



Beat Your Revenue Targets With Lunio

Ads are for humans, not bots. Save up to 25% of your advertising budget by automatically eliminating fake ad engagements across all paid channels. See it in action today with a customised demo and free trial – no obligation to purchase.

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