

LUNIO

Mastering Performance Max

Breaking the ROI Barrier

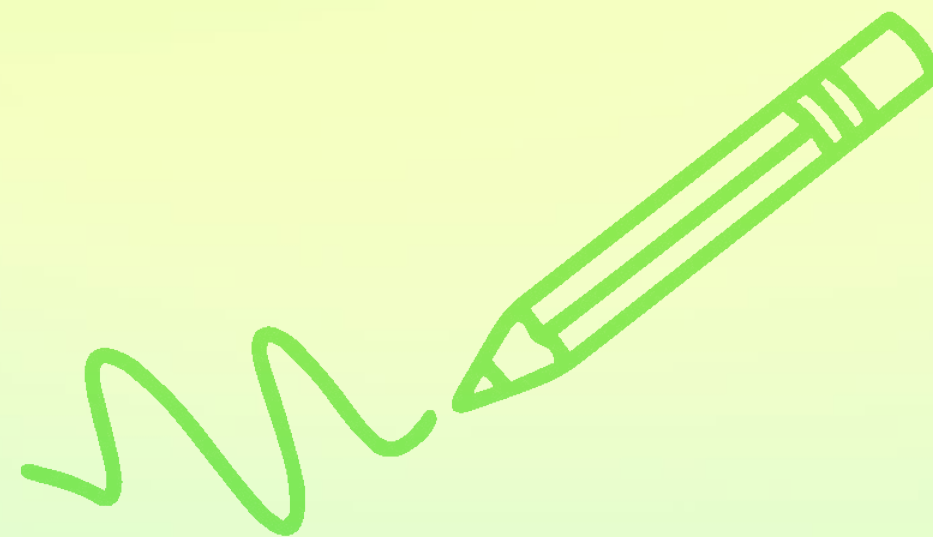




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How to Use This Guide

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’ve created this guide, it covers the processes, practices and technologies you can put in place to ensure 100% of your Performance Max budget is used wisely.

About Lunio

Lunio 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.



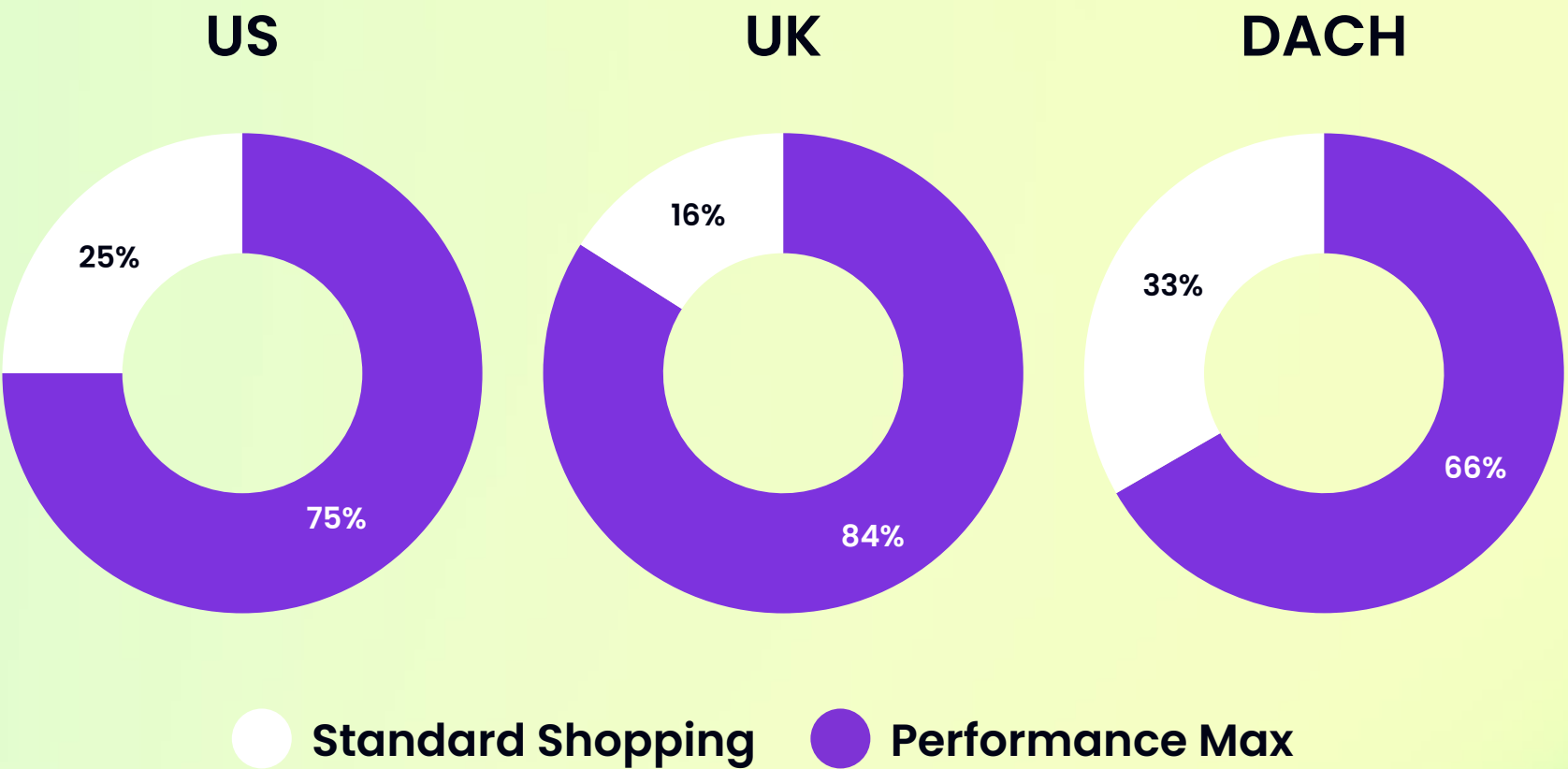
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Share on LinkedIn!



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 McNair
Founder 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:





01.

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.”

02.

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.

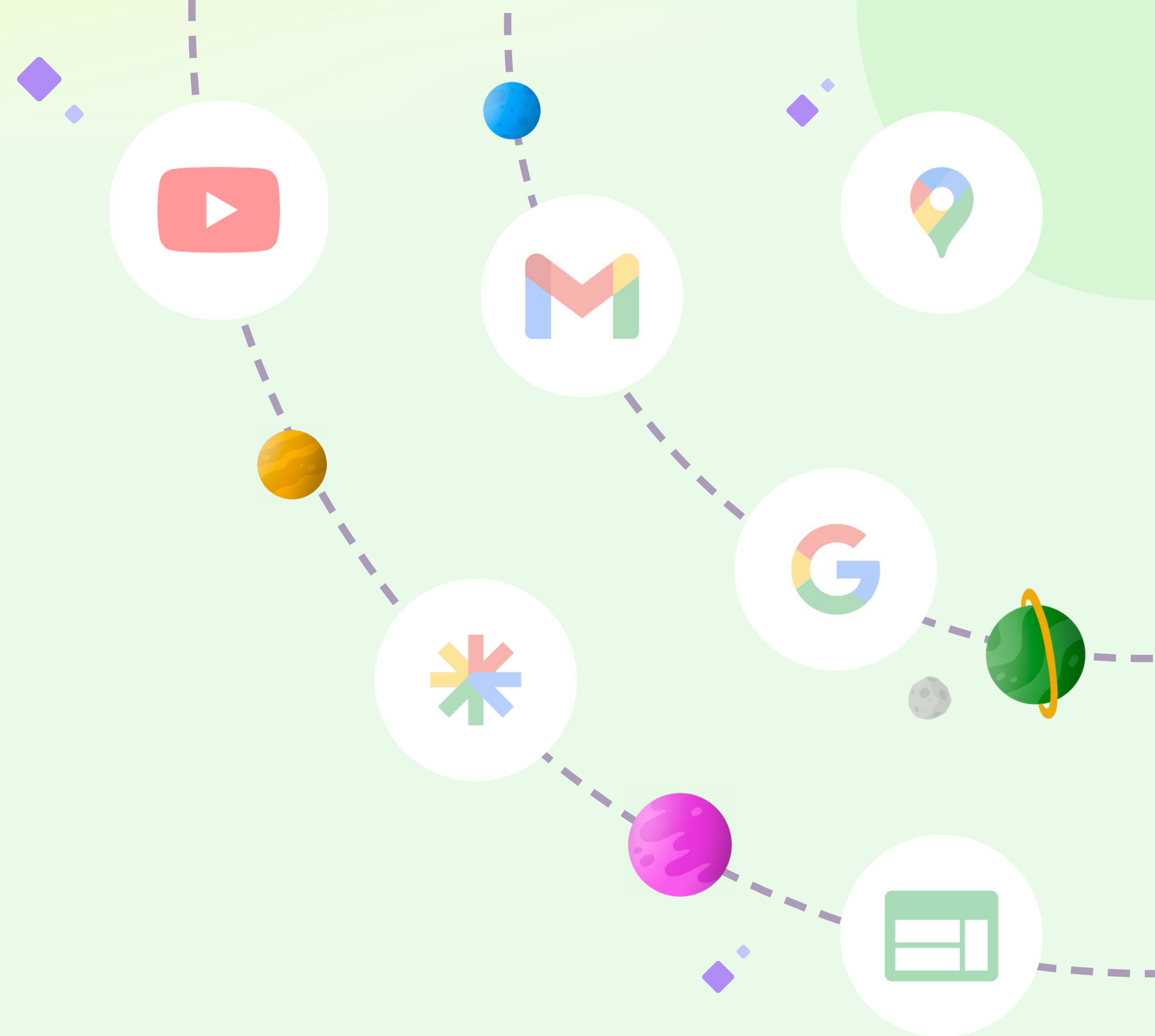
Campaign 1	Campaign 2	Campaign In Ad Auction
Search Campaign - exact matched queries	Performance Max	Search Campaign
Search Campaign - other queries	Performance Max	Campaign w/ higher ad rank
Standard Sopping Campaign	Performance Max	Performance Max
Display Dynamic Re-marketing Campaign	Performance Max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





03.

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 bottom-funnel focused."

04.

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 Labeller 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).

05.

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.

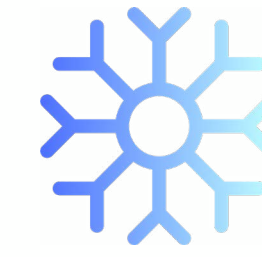
To get around this problem the Fire & Ice structure creates two separate PMax campaigns - one focused on prospecting “colder” traffic in upper funnel channels, and the other focused on converting “warmer” traffic coming primarily through Search.





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-to-close 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.

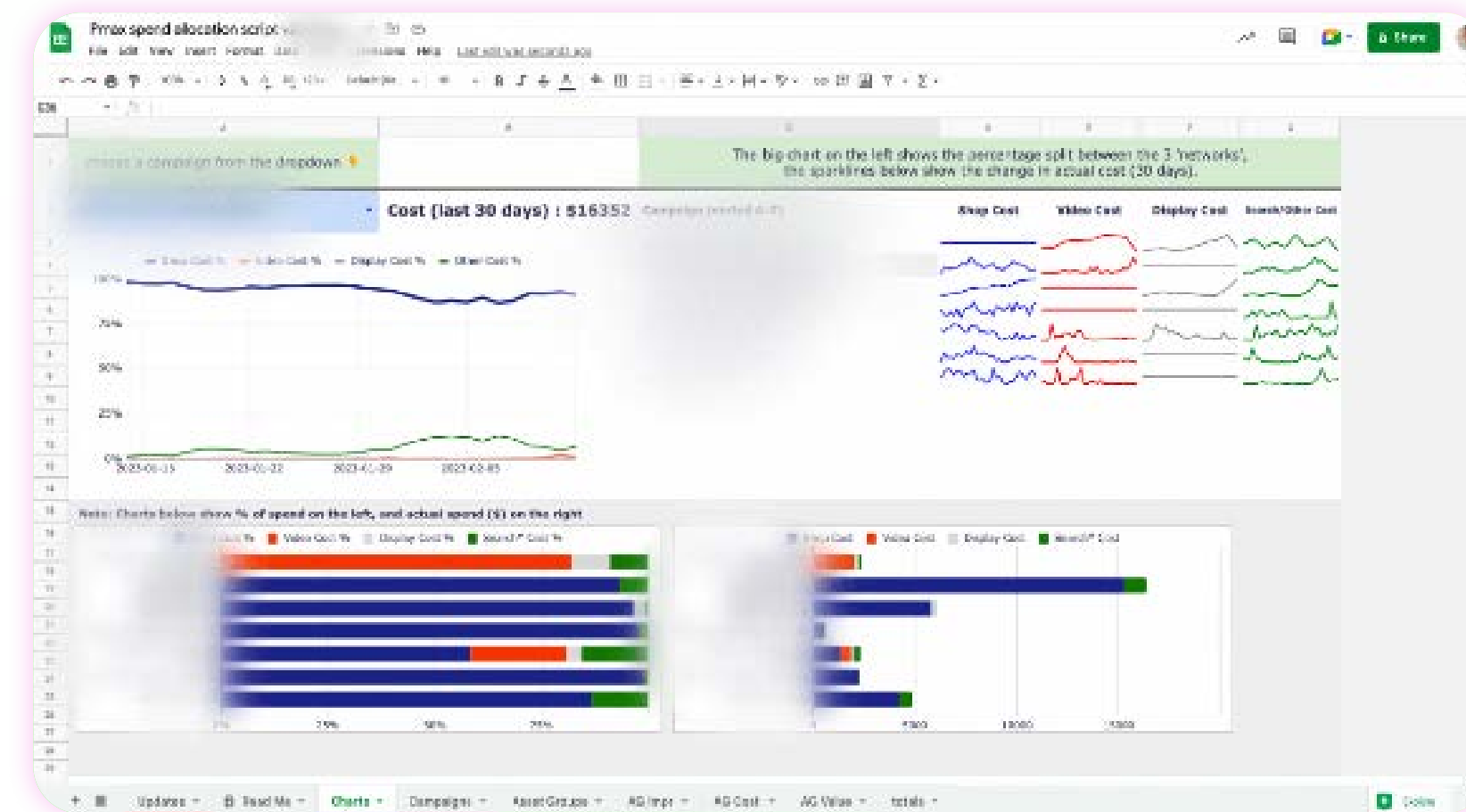
"Make sure your product is always very central in any images you're using to avoid display issues. And don't forget to optimise everything for mobile too, as sometimes that goes overlooked."

07.

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 [AgencySavvy](#) 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.”

08.

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.



09.

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.

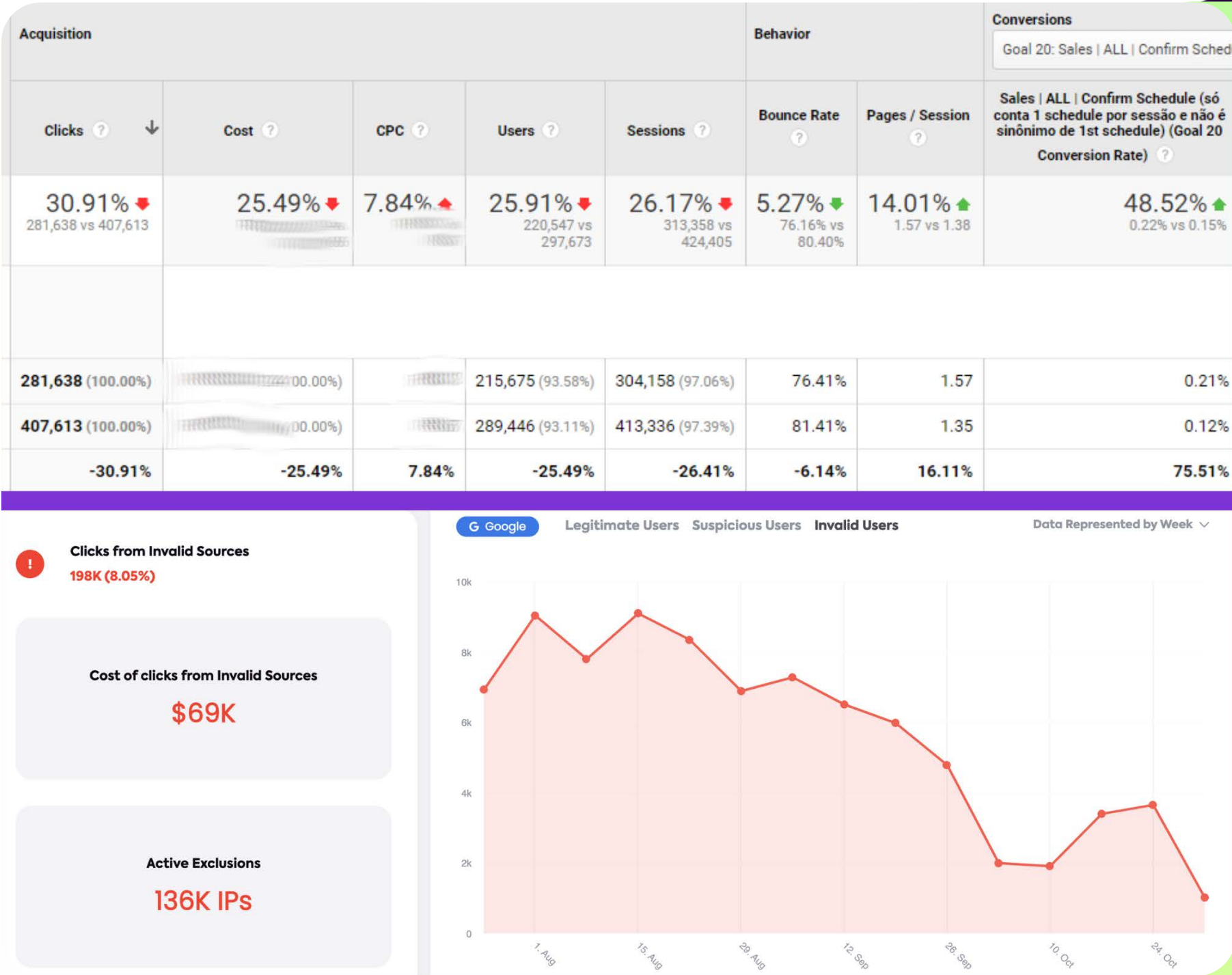


Eliminating Bots & Fake Traffic

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.



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!**

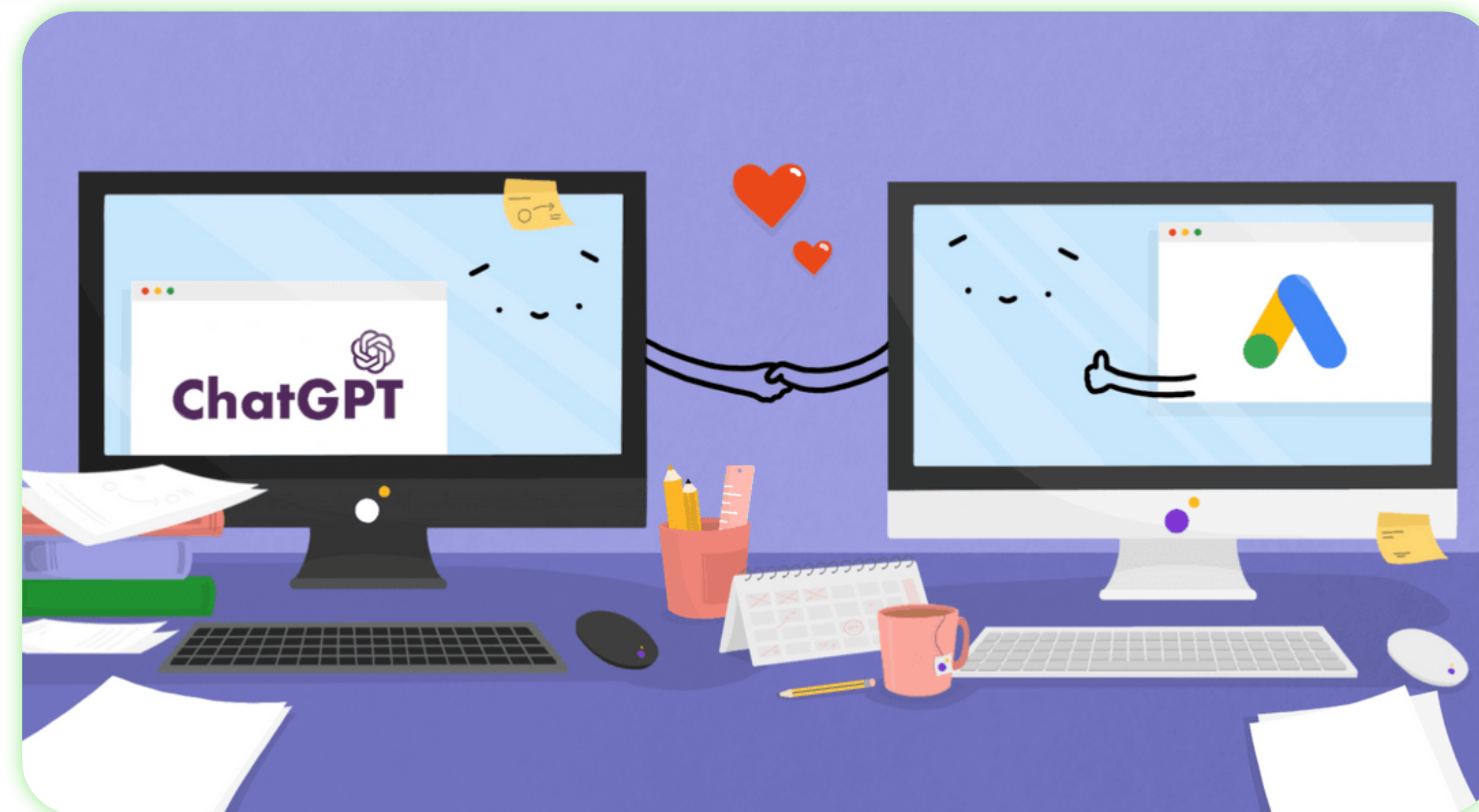
10.

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 automate 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



End Wasted Spend Across Paid Search & Shopping Ads

Save up to 20% of your advertising budget by automatically excluding fake ad engagement. Get a demo and a free 14-day trial now!

Book a Demo

HUGO
BOSS

M&S
EST. 1884

ebay

DIESEL

norwegian



INCUBETA



Red Pandaton

LUNIO

Platform Overview

Google

Google Overview

Google Ad Accounts

Google Ads Campaigns

Google Ad Stats

Clicks Log

Exclusions

Conversions



Ready For Take Off, Red?

Active Platforms Health

< 1 / 3 >



Meta
Platform Health: 18%



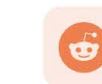
Twitter
Platform Health: 31%



LinkedIn
Platform Health: 29%



TikTok
Platform Health: 32%



Reddit
Platform Health: 64%



Google
Platform Health: 0%



Clicks from Legitimate
Sources
88,465 (68.11%)



Clicks from Suspicious
Sources
7,992 (5.97%)



Clicks from Invalid Sources
37,357 (27.92%)

Cost of clicks from Invalid Sources

\$79,503.16

Active Exclusions

17,947 IPs