Google

Verbessern Sie Ihre Marketingeffizienz mit Datengetriebenen Strategien in Google Ads

MMS Key Account Management

Kunde: Signal Iduna

Google: Jasper Zimmermann

Ihr Kernteam

Jasper Zimmermann
Account Executive
Google EMEA

Valerie Altmann
Sr. Account Manager
Google EMEA

Matthias Steinkirchner
Sr. Analyst & Product Specialist
Google EMEA

TBD

Google

Erweitertes Team

▶ **YouTube**

Access to Creative Service, Consumer Surveys & BETA Products
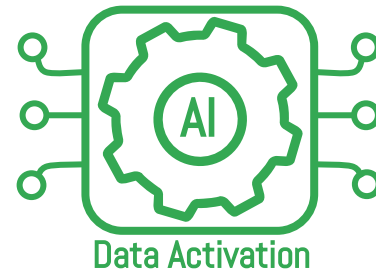
Find new customers **around the world** with international growth consultants

AI

Data Activation

Think with **Google**

Joint Case Studies, Events and Speaker Opportunities

Google

Unser Portfolio

48
Kunden

Wir arbeiten ausschließlich mit Lead Generierungs Unternehmen zusammen und sind spezialisiert auf **Finanz, Versicherungs und Vergleichskunden.**
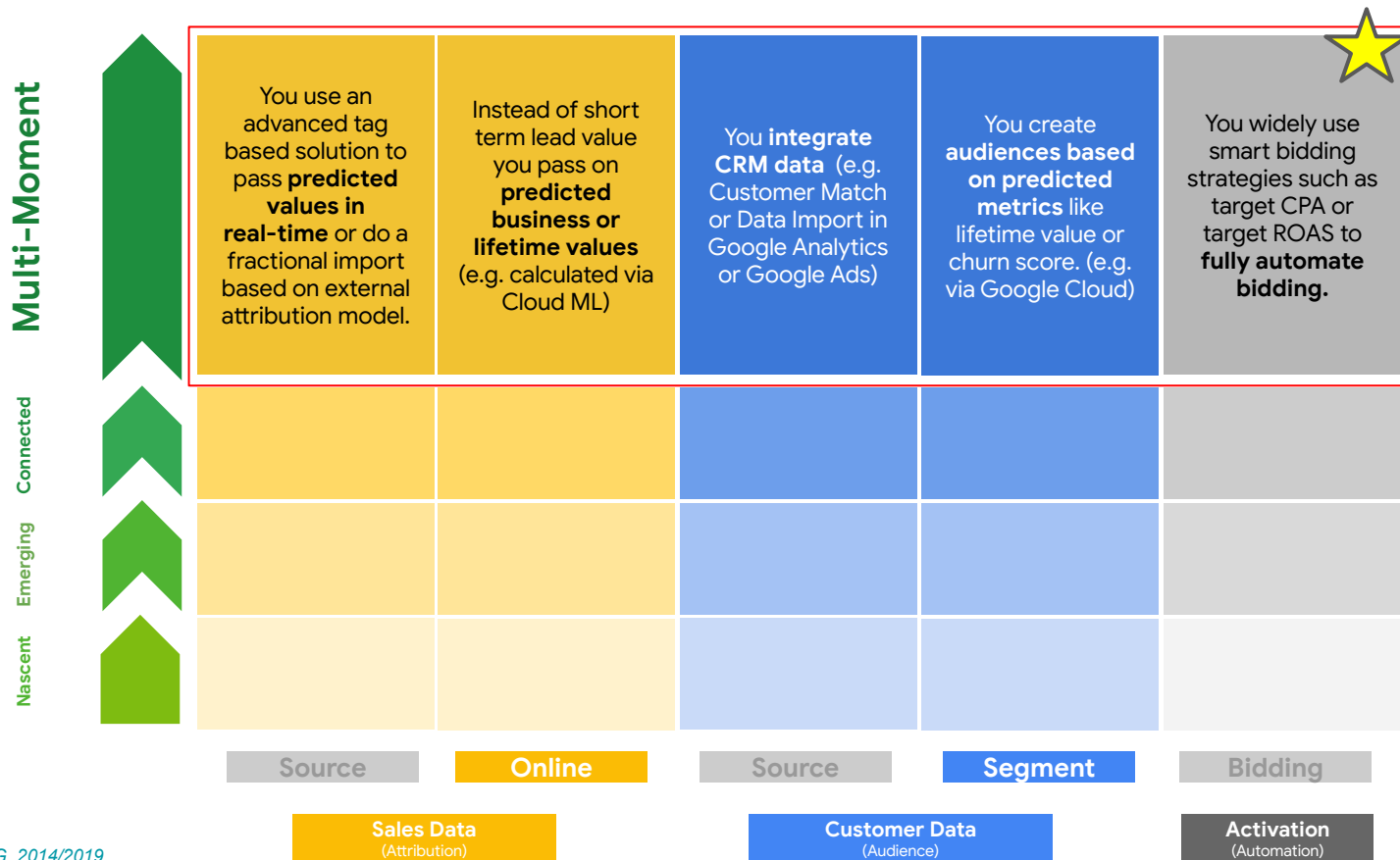
$100M+
Umsatz pro Jahr

Unser durchschnittliches Kunden Investment ist ca. €600k/Q, unsere **Topkunden** investieren €6M+/Q und wir unterstützen diese **mit bis zu 8 Vollzeit-Googlern.**
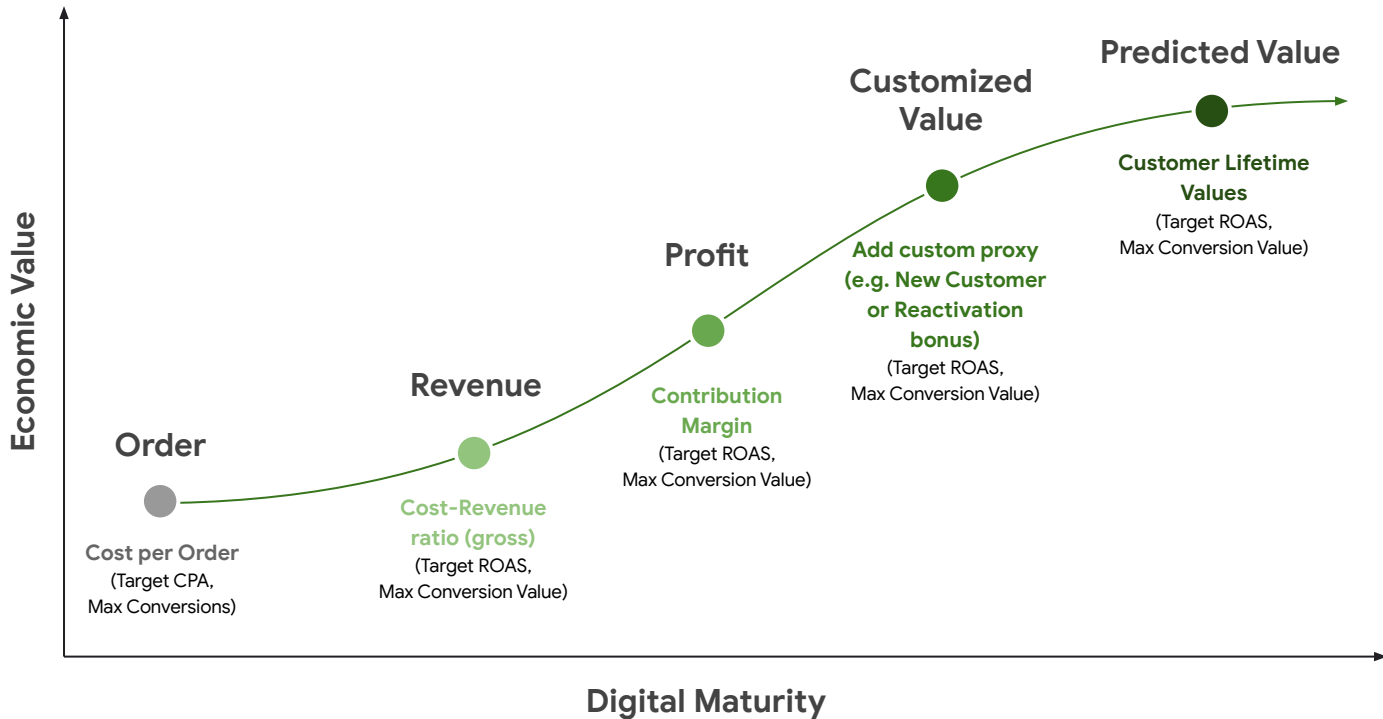
< 10%
der GCS Kunden

Wir arbeiten mit den fortgeschrittensten Direktkunden, die mit **Data Activation und Automatisierung langfristig kompetitiv bleiben wollen.**

Google

Unser Kompass: Das BCG Digital Maturity Framework

Multi-Moment

Connected

Emerging

Nascent

You use an advanced tag based solution to pass **predicted values in real-time** or do a fractional import based on external attribution model.	Instead of short term lead value you pass on **predicted business or lifetime values** (e.g. calculated via Cloud ML)	You **integrate CRM data** (e.g. Customer Match or Data Import in Google Analytics or Google Ads)	You create **audiences based on predicted metrics** like lifetime value or churn score. (e.g. via Google Cloud)	You widely use smart bidding strategies such as target CPA or target ROAS to **fully automate bidding.**

Source	Online	Source	Segment	Bidding

Sales Data (Attribution)	Customer Data (Audience)	Activation (Automation)

Source: BCG, 2014/2019

Google

Priority 1: Conversions + Bidding

Economic Value (y-axis)

Predicted Value

Customized Value

Profit

Revenue

Order

Customer Lifetime Values
(Target ROAS,
Max Conversion Value)

**Add custom proxy
(e.g. New Customer
or Reactivation
bonus)**
(Target ROAS,
Max Conversion Value)

**Contribution
Margin**
(Target ROAS,
Max Conversion Value)

**Cost-Revenue
ratio (gross)**
(Target ROAS,
Max Conversion Value)

Cost per Order
(Target CPA,
Max Conversions)

Digital Maturity (x-axis)

- Sharing your **individual KPIs** with Google's machine learning algorithm will become an important **competitive advantage**
- **Don't wait** until your Economic Value measurement is perfect; already **small steps will improve your performance**

Google

In a Nutshell - Bidding to Business Value

Use machine learning, conversion import and smart bidding to increase ROAS of Google Ads campaigns

Data Flow:

1. gCLID captured during purchase on site
2. click information combined with business data (PC2)
3. applying in-house data-driven attribution model
4. daily upload via conversion import API into GAds
5. tROAS bidding based on attributed PC2 values

Setup:

	Team	Tools	Data
Client	- Project owner - Data Scientist - SEA Manager - PLA Manager	- Data Warehouse - Attribution solution - Tracking-Tool	- Profit contribution II - Cross-Device Signals - DDA attributed values
Google	- Data Activation Specialist - Attribution Specialist - Search Specialist	- Google Ads - Conversion Import - tROAS bidding	- gCLID - Smart bidding signals

Project Profile

Challenge
Client wants to optimize Google Ads campaigns for gross profit per customer (their main KPI). This was not possible by setting keywords bids manually or through their bidding tool.

Solution.
Passing profit contribution values based on their own data-driven attribution model using externally attributed conversion import in combination with target ROAS bidding in Google Ads

Results
For the first time they were able to directly influence their main KPI "gross profit". **+40%** Conversions, **+61%** Conversion Rate, **+43%** Conversion Value (Profit). **+11%** ROAS

Scoring

Technical Complexity	Stakeholder Complex.	Business Impact
★★★☆☆	★★★★☆	★★★★☆

Google

Value Bidding solutions playbook
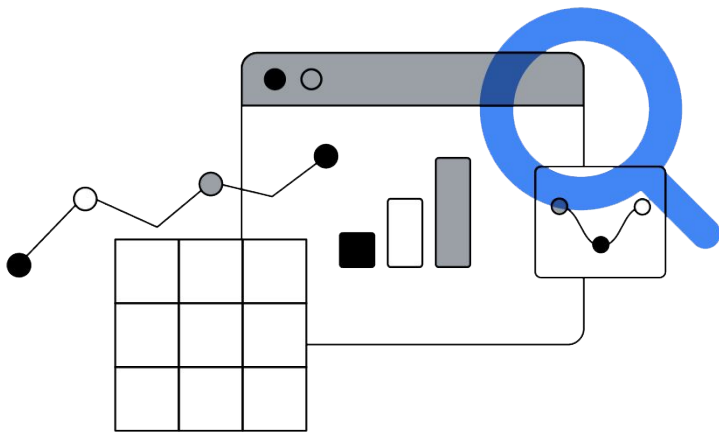
February 2021

Agenda

1   **Why bid-to-value?**

2

How to bid like a pro and increase profits

   A. Share better data

   B. Assign value data

   C. Bid to business outcomes

3   **How to optimize to profit and grow further**

Google

As online advertising becomes more automated,

the KPIs you ask machine learning (ML) algorithms to optimize and the data you share with these algorithms will become one of the **most important competitive advantages in your online ads strategy.**

Google

1

Why bid- to-value?

Google

Not every customer brings the same value to your business

Some conversions do not matter as much to your business goals, while others are of higher value and should be reported and optimized for accordingly.

Customer 1

Value **X**
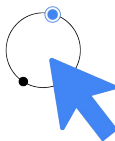
Customer 2

Value **Y**

Customer 3

Value **Z**

Google

# Value-based bidding brings values into Smart Bidding, maximizing your conversion value and ROI

Differentiating your customers...

Advertisers differentiate their customers value, but often don't share this information with Google for optimization.

...and bidding on what matters...

With value bidding the system will learn which potential customers are most valuable to the advertisers.
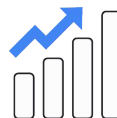
...will drive increased performance

Bidding towards the most valuable customers will deliver incremental revenue uplift and profitability to advertisers.
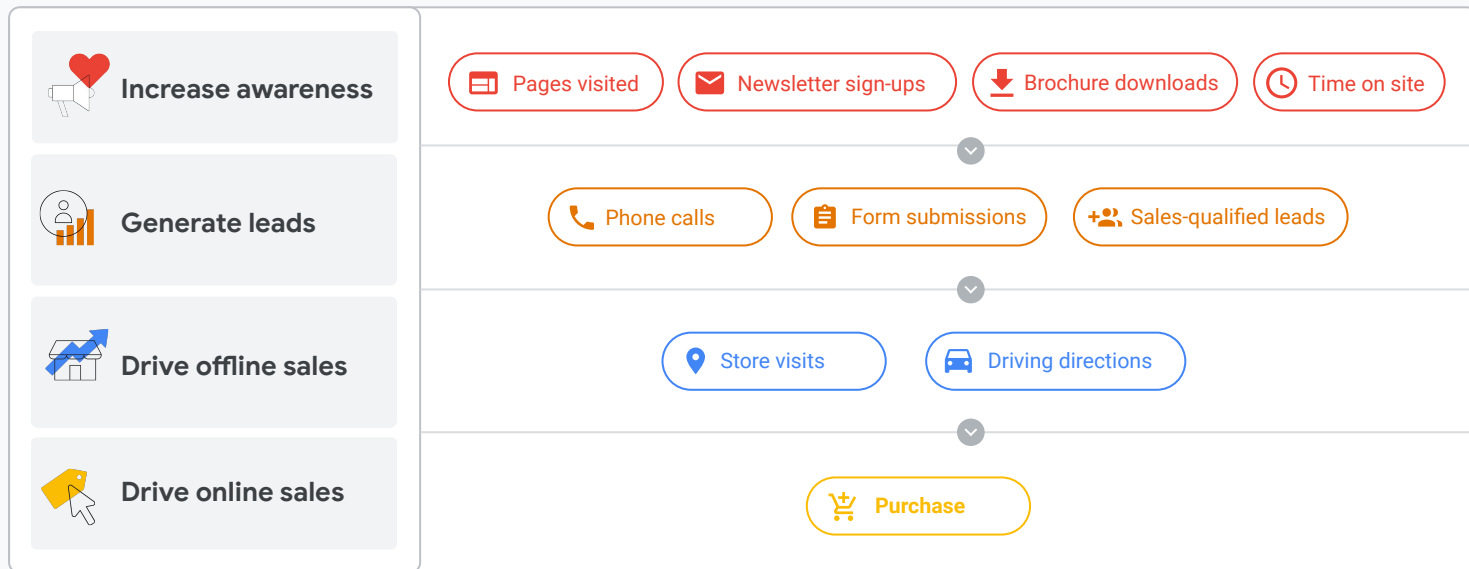
Google

It helps drive customer value and significant return on spend.

14%

expected median uplift in **conversion value** at a similar return on ad spend when moving from Target CPA to Target ROAS.*

Google

Capturing the right data throughout the entire consumer journey is key to enable value-based bidding

It prioritizes the actions that are worth the most to your business

Increase awareness	Pages visited · Newsletter sign-ups · Brochure downloads · Time on site
Generate leads	Phone calls · Form submissions · Sales-qualified leads
Drive offline sales	Store visits · Driving directions
Drive online sales	Purchase

Google

Value bidding works across all business models and will give you a better picture of your customer

When you add the value of a conversion, you'll not only get much more robust reporting on metrics that matter to you, but you're also giving Google Ads a clear view of how much each customer is valued by your business.

You can maximize for products that drive the most profit and set different values between TVs and PC accessories.
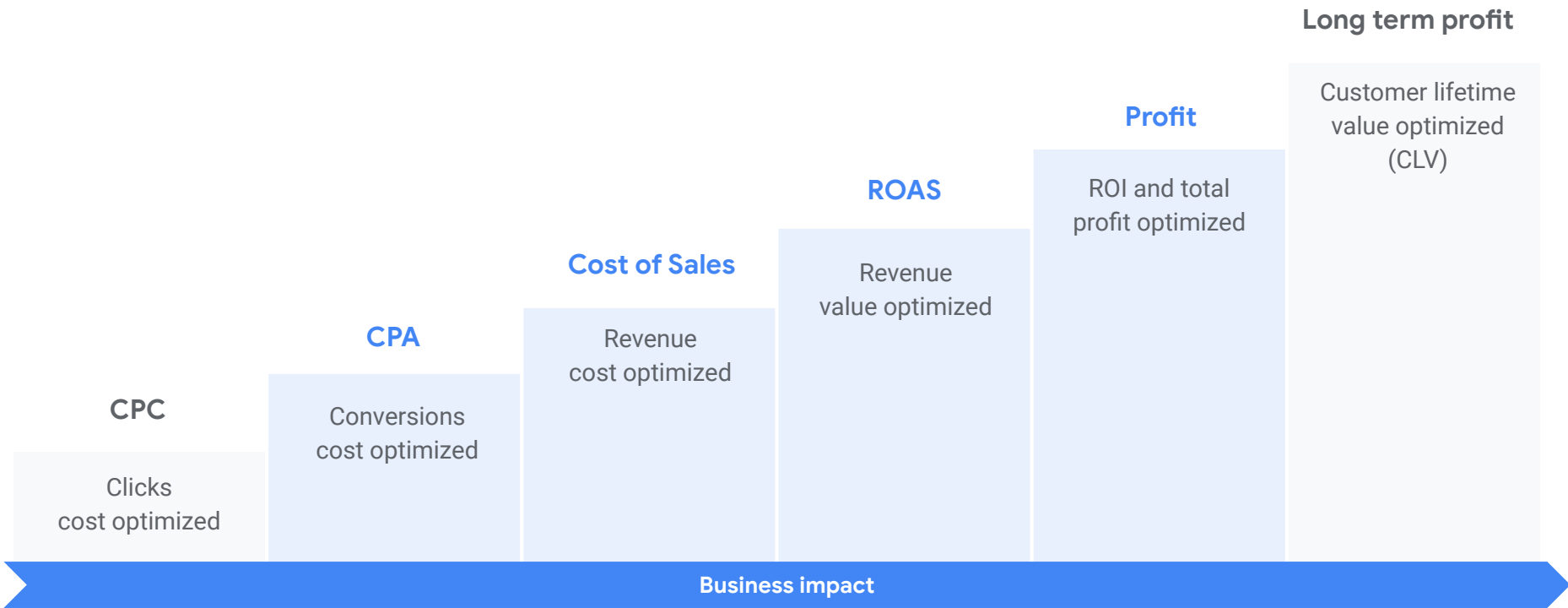
You can set an average value of a store visit conversion to let Smart Bidding maximize sales across all channels, online and in-store.

You can improve the quality of your leads by differentiating how much an online quote is worth from a contract signed to drive growth throughout the lead-to-sale journey.

Google

And it can set you a step closer to bidding to business outcomes

Long term profit

Customer lifetime value optimized (CLV)

Profit

ROI and total profit optimized

ROAS

Revenue value optimized

Cost of Sales

Revenue cost optimized

CPA

Conversions cost optimized

CPC

Clicks cost optimized

Business impact

Please note

It's recommended to start with readily available values, such as cost of sales and revenue. Optimizing towards long term profits will require accurate projected customer values.
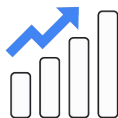
Google

Bid-to-value acts on most common business objectives

Market share

Grow % share of a market within industry or particular product & service.

Volume

Increase the units sold, number of leads or capacity of the business.

Revenue

Grow the amount of money the business brings in.

Profit

Grow the amount of money the business has after subtracting costs.

Let's check a few examples of how different industries can leverage bid-to-value for their businesses:

Google

Example: Online retailer

Consider these four stages of bidding sophistication
and the features being leveraged in each stage:

★ **Advanced**

Customer lifetime value ROAS

- **Objective:** Bidding to forecasted customer lifetime value.
- **Measurement:** Importing conversions and customer lifetime value via offline conversion import. Each value represents the unique forecasted value of each customer, which are forecasted offline based on business signals and passed back to Google Ads.
- **Bidding:** Bidding to Maximize conversion value (LTV) and achieve ROAS goal using **Target ROAS.**

Note: Accuracy of forecasted value should be high to drive performance.

Margin ROAS

- **Objective:** Bidding to margins.
- **Measurement:** Importing conversions and margins (values) via offline conversion import. This is done to calculate margin post purchase.
- **Bidding:** Bidding to Maximize conversion value (margin) and achieve ROAS goal using **Target ROAS.**

Purchase value ROAS

- **Objective:** Bidding to purchase value.
- **Measurement:** Dynamically track value for every transaction using eCommerce tracking.
- **Bidding:** Bidding to Maximize conversion value (purchase value) and achieve ROAS goal using **Target ROAS.**

Volume

- **Objective:** Bidding to conversions (volume).
- **Measurement:** Tracking conversion count using gtag.
- **Bidding:** Bidding to Maximize conversion (purchase) volume, while achieving CPA target using **Target CPA**.

Google

Example: Online retailer

Consider which data is readily available to you, to begin optimizing towards what matters the most.

Value bidding: purchase value vs. margin value

Scenario A: Retailer optimizing towards purchase value

	Purchase	Margin	Sample Google Ads Spend
Customer A	$50	$20	**$20**
Customer B	$100	$70	**$40**
Customer C	$100	$30	**$40**

In Scenario A, the advertiser is maximizing the purchase value Target ROAS bidding. This allows bidding to understand the differences of each conversion and hence increases ad spend on 'Customer B' and 'Customer C'.

Scenario B: Retailer optimizing towards margins

	Purchase	Margin	Sample Google Ads Spend
Customer A	$50	$20	**$10**
Customer B	$100	$70	**$60**
Customer C	$100	$30	**$30**

In Scenario B, the advertiser is going one step further and optimizing towards margin, and hence has higher ad spend on 'Customer B' where there are higher earnings

Key takeaway: Both retailers drive customers with higher value to the business using value based bidding. Where this data is available, optimizing towards margin will allow your business to invest more in advertising for higher margin transactions, winning more high margin auctions, and driving significantly higher overall margins.

Google

Example: Education company

Consider these four stages of bidding sophistication
and the features being leveraged in each stage:

★ Advanced

Cost per
'online application'

- **Objective:** Bidding to maximize online applications.
- **Measurement:** Website conversion tracking to report completion of online application.
- **Bidding:** Bidding to Maximize online applications, while achieving CPA target using **Target CPA**.

Cost per
'application completed'

- **Objective:** Maximize volume of the most valuable online leads.
- **Measurement:** Website conversion tracking, call conversion tracking, lead form extensions. Differentiating conversion actions through average values (e.g. avg. $1000 per lead form completion, vs. $500 on website).
- **Bidding:** Bidding to optimize towards the most valuable conversions using Target ROAS.

Revenue per
'closed deal'

- **Objective:** Bid to revenue of closed deal.
- **Measurement:** Importing conversions and the final sale value, after the user has transitioned from lead to sale, using offline conversion import.
- **Bidding:** Bidding to Maximize the revenue on closed deals and achieving the desired ROAS target using Target ROAS.

LTV per 'closed deal'

- **Objective:** Bidding to forecasted customer lifetime value.
- **Measurement:** Importing conversions of the closed deal and the forecasted customer lifetime (e.g. 3 years) value. each value represents the unique forecasted value of each customer, which are forecasted offline based on business signals and passed back to Google Ads.
- **Bidding:** Bidding to maximize closed deals with the highest forecasted customer LTV.

Note: Accuracy of forecasted value should be high to drive performance.

Google

Example: Education company

Consider which data is readily available to you, to begin optimizing towards what matters the most

Volume vs. Value Bidding

Scenario A: Optimizing towards online form completion

	Online completion	Value of lead (Final sale)	Sample Google Ads Spend
Customer A	Y	$2,000	**$50**
Customer B	Y	$500	**$50**
Customer C	N	$0	**$5**

Scenario A the advertiser is using Target CPA to maximize the number of online lead form completions. However this misses the opportunity of increasing spend with higher value customers.

Scenario B: Optimizing towards final sale

	Online completion	Value of lead (Final sale)	Sample Google Ads Spend
Customer A	Y	$2,000	**$70**
Customer B	Y	$500	**$30**
Customer C	N	$0	**$5**

In Scenario B, the advertiser is optimizing towards the final value of the lead, and bidding increases spend on potential high value customers.

Key takeaway: While education company A was focused on efficiency and amount of leads, education company B was bidding to maximum profitability and focusing on growth.

Google

Value-bidding can help you bid to true business objectives, instead of marketing goals I

Strategies by customer maturity and digital sophistication

★ Advanced

Optimize for customer lifetime value (CLV) via automation

Use predicted customer lifetime value as a conversion value in order to make more informed bidding decisions.

- Smart bidding will be trained to optimize for predicted CLV
- Higher media efficiency and effectiveness
- Improved budget allocation

Drive closed leads

Bidding based on closed leads instead of proxy conversions

- Bidding optimized towards actual sales
- Higher media efficiency
- Improved budget allocation

Drive qualified leads

Bidding based on values instead of counting conversions.

- Higher media efficiency
- Improved revenue growth
- Improved budget allocation

Optimize for more conversions

Business impact

Google

Value-bidding can help you bid to true business objectives, instead of marketing goals II

Strategies by customer maturity and digital sophistication

⭐ **Advanced**

**Drive footfall
via online campaigns**

Use Store Visits as optimization metric to drive footfall

- Bidding optimized for store visits.
- Increased online impact on store visits and sales.
- Improved online/offline budget allocation

**Drive call center sales
via online campaigns**

Connect offline call center data with online campaign activities in order to measure and optimize for offline success

- Bidding optimized for call conversions
- Increased online impact on call center sales
- Improved online/offline budget allocation

**Drive offline sales
via online campaigns**

Connect offline sales data with online campaign activities in order to measure and optimize for offline success

- Bidding optimized for more in-store sales
- Increased online impact on offline sales.
- Improved online/offline budget allocation

Drive customer lifetime value (CLV) across on- and offline channels

Connect offline sales data with online campaign activities in order to measure and optimize for omnichannel CLV

- Bidding optimized for CLV across online & offline
- Increased impact of digital on omnichannel sales.
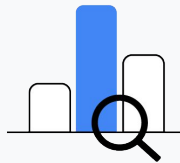- Improved omni-channel marketing budget allocation

Business impact

Google

To set your business up for success and long-term growth, there are three core principles to enable value bidding

Share better data

Share data which is relevant to your business objective, and ensure these are as accurate as possible.

Assign value data

Assign values to your conversions that are both readily available and closest to your business objective, from transactional values to profits.

Optimize bids to business outcomes

Once the data is in the account, optimize to it, using Target ROAS or Maximize conversion value and enable performance growth.

Google

Google is here to guide you every step of the way

Share better data

It is essential to adopt the right measurement and privacy solutions and accurately share your conversion data.

- **Global Site Tag** (& consent mode in EMEA)
- **Offline conversion tracking**
- **Google Marketing Platform** - Offline conversions API.
- **Non-last-click attribution** models, preferable Data-driven attribution.

Assign value data

Assign conversion values to your conversions and see the total value driven by your advertising across conversions to let Smart Bidding focus on high-value customers.

- **Dynamic conversion values**
  Assign a different value for each conversion, e.g. checkout value.
- **Static conversion values**
  The same average value across all conversions.

Optimize bids to business outcomes

Smart Bidding combines advanced machine learning, unparalleled optimization frequency & precision, and a rich set of auction-time signals to help drive profitability.

- **Target ROAS**
- **Maximize conversion value**

Google

2

How to bid like a pro and increase profits

Google

In this changing digital ecosystem, a solid conversion measurement is paramount to drive digital performance

From there, you can start tracking conversion actions, move to more advanced measurement solutions like attribution and then automation and optimization with Smart Bidding.

Ensure you have
correct tagging
in place across your website

Invest in **additional sources of 1P data**

Respect user's choices by **collecting consent** as needed

Global Site Tag

Enhanced conversions

Consent mode

Google

From there, you should follow the framework below to start bidding like a pro

1. Share better data

Share all the important steps of your customer journey.
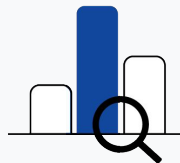
2. Assign value data

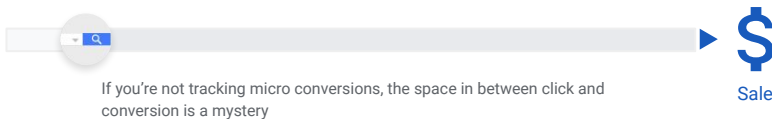Pass back the value created in each stage of customer journey.
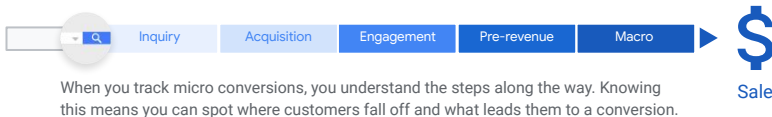
3. Bid to business outcomes

Select bidding strategies that maximize profits.

Google

1. **Share data:** To get a complete overview of your customer, setup conversions for micro & macro conversions

Not using macro & micro conversions

If you're not tracking micro conversions, the space in between click and conversion is a mystery

Sale

Using macro & micro conversions

Inquiry · Acquisition · Engagement · Pre-revenue · Macro

When you track micro conversions, you understand the steps along the way. Knowing this means you can spot where customers fall off and what leads them to a conversion.

Sale

Micro conversions leading to macro

Business objective	Inquiry	Acquisition	Engagement	Pre-revenue	Macro
Online sales	Read reviews	Browse products	Newsletter sign up	Add to cart	Buy product
Online leads	Search for key terms	Read blog	Website chat	Download whitepaper	Submit lead
Phone calls	Read reviews	Create an account	Email	Free trial	Call
Grow loyalty	Read reviews	Create an account	Social share	Download contect	Became member

Pro tip: Import the conversions along the conversion funnel, but only optimize towards what matters by including these in the 'Conversions' column.

1. Share data: The global site tag is the foundation for driving performance with Smart Bidding in a changing digital ads ecosystem

Google Tag Manager

OR

Global Site Tag

Next-generation Analytics tool

Google Analytics 4

Privacy-preserving / sustainable features

Enhanced conversions, Consent mode, etc

Next-generation security and performance tagging

Server-side tagging in GTM, Browser APIs, etc

Google

1. Share data: How to pass your data back to Google Ads

Below are the primary features you can use to collect and import data

Online conversion tracking

Using Global Site Tag or Google Tag Manager, pass back data points available online with additional tag parameters, at the time of conversion, to understand the conversion's value.

Offline conversion tracking

Import data for conversions logged offline (in your database or CRM system or visits to your store) to add additional value to touchpoints after an online conversion.

Google Marketing Platform - Offline conversions API

Upload offline actions into CM/SA360/DV360 keyed to a Doubleclick User ID, GCLID, Device ID, or Match ID to view offline conversions.

Google

Share data   Assign values   Value Bidding

1. Share data: Setup conversion tracking that aligns with your business objectives

Ensure conversions are uploaded/tracked on a frequent basis, ideally daily.

Although not required, it's recommended to share all the important steps of the first 14 days of the customer journey.

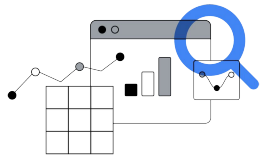You should also share data about your entire business, not only your online business.

Google

2. Assign value data: Share the most accurate value of each conversion available

⚙ To be able to differentiate each conversion, setup conversion values

| Conversion values	Implementation	Frequency

This represents your best estimate of how much money the conversion has (or will) create for your business. It could be the immediate revenue, your profits, the forecasted profit.
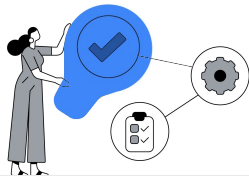
When you use conversion tracking, you can assign a different value for each conversion (e.g. checkout value) or use the same value (e.g. average sale value).
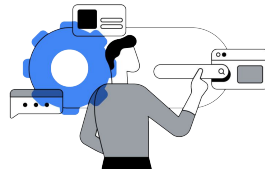
Pass value back to Google as quickly as possible, ideally no longer than 2 days after the conversion.

Ensuring the values closely represent your business objectives is the most important part of this strategy.
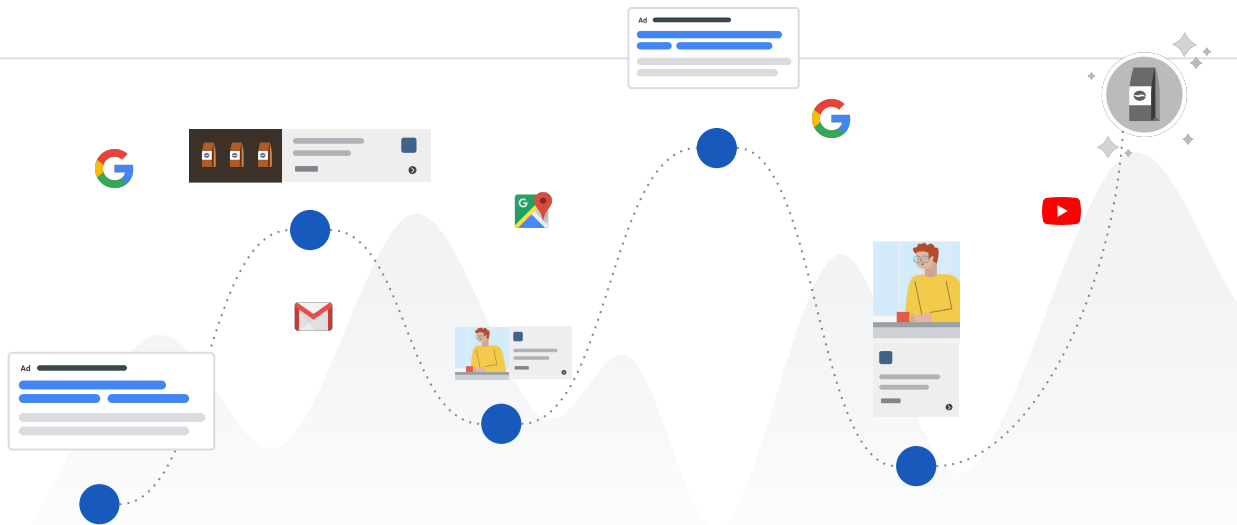
Google

2. Assign value data: Before implementing value based bidding, ensure you accurately attribute with DDA

Always choose **Data-driven attribution** when available:

- Identifies the most influential touchpoints.
- Assigns fractional credit to each keyword in the purchase path.
- Learns and adjusts over time.
- Accurately give credit for conversions across multiple ad interactions.

Pro tip: Data-driven attribution will be the basis of Google Smart Bidding solutions. This makes advanced attribution actionable in a turn-key fashion.

Google

3. Bid to business outcomes: Enable value based bidding and begin maximizing your conversion value

Smart Bidding is built to maximize what you report in the conversion value column towards your set target or a given marketing budget.

Target ROAS

Target ROAS will maximize your conversion value, at the target return-on-ad-spend (ROAS) you set. Use this strategy if you have a ROAS goal.

Requirement: >15 conversions per campaign per month.

Maximize conversion value

Maximize conversion value will maximize the total conversion value of your campaign within your specified budget.

Requirement: There is no minimum conversion threshold for Maximize conversion value.

Google

3. Bid to business outcomes: To ensure you maximize performance define target return & budgets

Setting a target return helps you maximize profit by calculating the optimal Smart Bidding target based on conversions across all your sales channels (eg. website, app, store) and monitoring changes over time.

⟳ TARGET RETURN

Are you focused on growth and/or efficiency?

Your very efficiency-focused, modeled results can be interpreted as optimal ROAS points being more strict to yield the best return at the expense of total profit (i.e. reducing both investment and revenue).

If you're growth focused, hone in on the incremental total profit that is available (potentially at an incremental investment, but still yielding net new profit).

$ BUDGET

How are budgets structured?

When does annual planning/forecasting take place? Do you revisit budgets during the year?

How do you allocate your budgets between channels?

Which advertising channels are you invested in? Which channels drive the most profit for your business?

☑ Pro tip: Performance Planner and the suggestions in the Recommendations page are a great way to plan & optimize for the right targets and budgets. We will dive into them later!

Google

Questions?
jasperz@google.com

Google