

Should I Bid on Branded Terms in SEM? via @bigalittlea

Ah, the age-old debate.

- Should I bid on my brand terms or not?
- Why do I have to pay to get the traffic I earned?!?!?
- Why are Google and Bing holding my brand hostage?

These, along with a myriad of other questions around brand bidding, seem to pop up every few years.

Rising CPCs, an evolving SERP, and a few lawsuits have led us to a new breakpoint.

I'm going to do my best to answer the most common questions I've encountered over my career.

This should help guide you on how (and if) you should bid on your branded terms.

(For the sake of consistency, I'm going to pretend my brand is Seinfeld throughout this post. Many references to follow.)

1. Should You Bid on Brand Terms in PPC?

Yes. And also a little bit no.

But mostly yes.

But not always, and not everything.

It's not as binary a decision as it's made out to be, nor should we treat all branded terms equal.

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We must view brand terms the same as any other terms in SEM.

They need to have a goal, KPIs, and a strategy to achieve success.

Don't bid terms to the ceiling and issue a blank check because you want a 100% impression share.

There are smarter (and more profitable) ways to operate.

Ask yourself: would I make this decision if the query was "best tv show ever" instead of "Seinfeld"?

If the answer is no... well, you get the point.

2. How Should I Structure My Branded PPC Campaigns?

Structure your campaigns... well, the same way you structure everything else: tiered in order of volume and budget priority.

My recommendations will (likely) be against engine recommendations, but so be it.

I'm a grownup and I do what I want.

Generally speaking, you'd want to have 4-5 "sets" of branded terms.

It's up to you whether you structure them into campaigns or ad groups, but I'd recommend breaking them out either way.

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Isolate Core + Navigational Terms Should Into Their Own Areas

By navigational, I'm talking about terms like "www Seinfeld com" or "Seinfeld com".

When I say core, I'm speaking about things like "Seinfeld show", "Seinfeld", "Jerry Seinfeld show", and so on.

These are the highest volume, the highest propensity to convert and likely lower incrementality.

Promotional or Discount Queries

These should be addressed **but** not necessarily by you... more to come on this.

Brand Adjacent/Sub Brand

This includes names of products or terms with a branded intent.

I'm thinking things like "Kramer's lobster shirt", "Jiffy Park t-shirt", or "Urban Sombrero"*.

These aren't **your** brand in the conventional sense. But, if a consumer is searching for a specific item by name, they should fall in this bucket.

**For those who don't know, these are Seinfeld apparel items worn by characters.*

Branded Research

This covers queries like "Seinfeld reviews" or "Seinfeld vs. Friends".

These are closer to mid or bottom funnel and may not represent a person who's ready to buy right this second.

I could see arguments we shouldn't consider them branded terms at all. That said, while these may not convert as well, they're likely to have a high level of incrementality.

3. Should I Be in the Absolute Top Position, 100% of the Time, for Every Brand Mention?

No. I outlined this in-depth some time ago in a post around forecasting.

Every click (branded included) is more expensive than the last.

As you get closer and closer to 100% impression share, those clicks will get exponentially more expensive

The structure above presents a sound framework to maximize efficient volume.

If you need a target (big blanket statement warning) generally somewhere in the low 90-95% mark is where returns start to diminish.

That's not saying you **can't** make a profit above that level, but you'll likely see ROI/ROAS start to diminish.

But again, test.

4. Should I Automate Bids on Brand Campaigns?

Yes, but test which will work best for you.

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Most forms of smart bidding have their place depending on your goals.

Target Impression Share has proven fruitful with an aim towards that 90-95% sweet spot.

It keeps CPCs at a reasonable level and handles most of the competitive variables well.

By the same token, tCPA or tROAS have been beneficial in the right scenarios depending on our clients' goals.

Make sure to set caps to prevent your CPCs from spiking too much.

This may be the only scenario where I still endorse (somewhat) manual bidding as well.

Variance for brand campaigns is lower than other broader terms so your bids likely won't need to change as much.

Basically, it's up to you.

5. Should I Use Enhanced CPC (eCPC) for Brand Keywords?

Test it, but I don't recommend it as a blanket "must do."

Think of it this way; eCPC aims to increase conversions by bidding more when a conversion is more likely and vice versa.

Say you already have 97-99% top impression share for your best terms.

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eCPC will (almost) always assume a conversion is likely to happen and will (almost) always bid up.

You then pay more for the same result.

I have seen it work well in competitive industries where impression share is, shall we say, harder to come by.

But, test it, don't assume.

6. If I Turn off Branded PPC Terms, Wouldn't I Get All the Traffic & Conversions Anyway?

"Well these people were looking for me anyway, so they'll find me no matter what."

No.

This is the most common argument **against** bidding on brand terms.

It's one of the more challenging things to test, and the most likely to prove a case **for** bidding.

Incrementality is the proportion of outcomes that would happen without intervention. That is, how many conversions would we get if we did nothing.

Incrementality testing has varied in every one of the dozens of brand turnoff tests I've run in my career.

I've seen incrementality as low as 15-20% (e.g., 80-85% of conversions would've happened without ads) with a naked SERP.

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Though, the frequency of a truly naked SERP is next to zero nowadays.

I suspect this incrementality figure is higher in modern times.

I've also seen it as high as 85% for competitive industries like mattresses, fitness, and home services.

I've outlined a few examples below, showcasing how we ran the tests and the result.

We Tested for a Supplement Company with a Short Purchase Path

Automated rules turned off branded ads every other day for 60 days.

The total return on search investment was our success metric: (organic + paid revenue)/search spend.

Days with brand ads on yielded 28% more total search conversions.

Factoring in the margin and the cost of ads, brand investment was ROI positive, albeit closer to 2:1 vs. the 10:1 reported in the engine

A National Home Improvement Company Left the Decision to Invest or Not During COVID in the Hands of Franchisees

- Approximately half turned off branded ads while half remained on.
- Franchises that paused brand search performed 50% worse than those who kept it turned on across all engines.
- The team conducted a regression analysis to figure out what happened to organic ads during the same time. Those who kept ads on saw more organic leads than those who turned off ($R^2 = 0.45$), indicating there was a positive impact while ads were on.

- The direct result was ROI positive – the halo effect made the decision a no-brainer for franchisees.

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A Well-Known Marketplace Wanted to See If They Could Save a Few Dollars by Removing Brand Terms

- Their CPCs were low (in the five-cent range) and a naked SERP outside of shopping ads. We ran a geo-holdout test for a period of six weeks. We excluded ~100 ZIP codes from branded ads and compared against the performance of 100 like ZIP codes. The findings were dramatic:
 - Approximately 44% of branded clicks were incremental, vanishing without ads running
 - CPCs on incremental clicks were 7x higher than the cost of non-incremental clicks. It's worth noting in this case non-incremental clicks cost under a penny each.
 - ROAS on branded terms in the engine UI was around 80:1 (which is insane) – iROAS, that is the incremental revenue/total spend) was around 12:1.

I could go on, as there are dozens of examples around.

TL;DR: The incrementality of branded terms varies but is (in my experience) always positive.

7. Should I Update Ads for Every

Promotion?

I wouldn't recommend it.

There are two main challenges, one psychological and one PPC-ical:

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- **Search engines favor ad history.** When you throw a new ad for every 10% off sale, you're resetting history and making the engine guess what will happen. Generally, there's a CPC "blip" with each new ad until the engine figures out what to do with it. If you have a short-term sale, that blip may last the whole sale and reduce efficiency.
- **Consumer intent from a branded query is different from a sale ad vs. a non-sale ad.** First-time customers from a promotional ad likely have lower incrementality and a lower LTV. They're more likely to become "sale only" customers who only buy cheap.

You're a great PPC-er so you've been testing for years – odds are your evergreen branded ads are quite strong.

Unless your sale has a dramatic effect on performance, stick to promotion extensions or sitelinks.

If you **must** run a promotional ad, keep your existing branded ad live in tandem.

8. Should I Let Resellers & Affiliates Bid on My Brand Terms?

Controversial opinion time!

Yes, with restrictions.

Allowing a few selected partners on your branded terms accomplishes three things:

- **It builds a moat for competitors.** That's not saying competitors can't or won't usurp your branded terms, but there are more layers of defense.
- **They present options that are more likely to align with consumer intent.** I have a sneaking suspicion that someone searching for "Seinfeld Coupons" already intended on buying. Let an affiliate take that click – it'll likely be a higher CPC that you wouldn't make much money on. Plus, it's a better reflection of consumer intent and a better experience.
- **When done well, they won't raise your CPCs.** You hold the cards in the relationship with affiliates. You can set the terms of their presence to ensure CPCs don't spike.

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So Should I Bid on Branded Terms?

Yes.

But as with all things SEM, you cannot evaluate your success and ROI in a vacuum.

Instead, look at the net impact on your business (including the halo effect) to make sure your branded bidding strategy aligns with goals.

More Resources:

<http://tracking.feedpress.it/link/13962/13692948>