SMX Overtime: When to use PPC automation (and when not to)

Account structures, cross channel attribution, smart bidding and automation reporting were among the many questions during SMX East's roundtable, "How automation really works and when to use it." I wanted to take the time to answer a few additional questions from attendees after the event.

I understand it depends on the business, but how do you go about structuring your accounts? How do you set up campaigns?

I wrote a post about three years ago about decision trees for SEM segmentation that, for the most part, still outlines how we structure our accounts.

For each major element (audience or keyword for search, different audience types for YouTube) ask yourself two simple questions. Will performance be materially different? Does messaging need to be materially different? If the answer to either is *yes* you can assume that segmenting targeting elements is a good idea.

What's changed over the years is the priority. When the post above was written, there was no punishment for over-segmentation and no upside for campaign consolidation. In modern search, I recommend keeping as much data together as possible. Yes, you can still optimize a group of campaigns together using a portfolio, but it's best to keep similar performing ad groups/keywords together *unless* there's a notable case to be made for segmenting.

Addressing a few common questions. Yes, we do still segment campaigns by match types but have tested moving them together

– the results were neutral. No, I don't recommend SKAG's – there's no point anymore. Yes, segmentation by device is okay, but I wouldn't call it a "default." Generally speaking the controls in place to bid or message by device is sufficient to control budget.

How can you use smart bidding when your CPA/ROAS goals change frequently (biweekly/monthly)?

First of all, I wouldn't recommend see-sawing goals unless there's an explicit reason. If there's dramatic inventory swings or a lead at the end of the month worth more than one at the beginning, I'll allow it. Otherwise, stay stable.

With that out of the way, it depends on how dramatic the goal shifts are and/or if they return to where they were. If the swings aren't particularly dramatic (e.g. a CPA moves from $100 to $90) you should be totally fine nudging your bid targets without resetting the learning period. Usually, a shift of 5 to 10% won't disrupt the system too much.

If you're attacking big sale days, for example, seasonality adjustments will effectively "coach" the bidder and tell it to expect higher or lower swings.

How much time do you save with automation on a weekly basis? Are Supermetrics the go-to with automating reporting?

Tough to say as to how much time it saves since we inherently wind up "reinvesting" that time in our clients! You can look at it on a task-by-task basis to give you an idea of time savings:

- My teams probably spent five to eight hours per month doing search queries. Since we've started (mostly) automating via n-gram scripts, that's down to one or two hours.
- Manual bidding? That's AT LEAST an hour or two a week, now bid optimization or analysis is down to an hour a

month.
- The idea of pulling manual reports sends shivers down my spine. Even when we had a platform or "human automation," the reports would still take about two hours per week per client. Now we've managed to automate QA (yep – it's possible) which takes that time down to a half an hour or so.

With regard to reporting, it largely depends on your needs. We license Tableau for clients that warrant it which is a huge help to automate things like pacing etc. But, as the asker indicates, much, if not all, of that can be done via Supermetrics. We often use Supermetrics to parse additional data into Data Studio for cohesive reports. Just make sure to have an alerts system for when a query fails or times out.

How do you use cross channel attribution data for your bidding and optimization?

There are a few options here. Bear in mind that attribution data *usually* has a somewhat significant delay, or at the very least isn't real-time.

- Use your cross channel data to build in a "discount" factor for bidding. Say Google reports 100 conversions a month, but your attribution tool indicates only 60 of them were incremental. Aim your goals to somewhere in the middle, perhaps lower your CPA target (or increase ROAS target) by ~20%.
- Feed data back into UI's as a separate column – I wouldn't recommend using offline data for real-time bidding (too many things can go wrong), but having the data readily available can make decisions easier
- Use Google Analytics conversions in lieu of the Google Ads pixel – there are tradeoffs here that I won't go into, but it is a simple way to ensure that the broader marketing picture is considered in Ads

Can you go around the data limitation for smart bidding by adding micro-conversions along the purchasing funnel with fixed values?

Absolutely! Going higher in the funnel has worked well for a number of our clients. Similar to the attribution challenge noted above, use these micro-conversions as directional data. Check your assumptions often to ensure that you're not putting too much weight in a certain area. Additionally, make sure whatever actions you choose are unique. Don't add weight to both time on site and page views (they're one and the same) and don't double up on different information capture points.

Will we ever be automated out of our jobs?

No. Though I suppose it depends on your job.

Look at it this way, humans are tremendous thinkers and strategists, but horrible automatons and calculators. The parts of our jobs that *will* be automated away is highly manual. It's my (and many others') outspoken opinion that there's no reason to bid manually under the guise of control. We're romanticizing the past, looking back at times when we were hand-picking what we thought were the most important signals (keywords, bids, and copy) while tuning out human signals like demographics, behavior and technological capacity.

The future is showing a job shift rather than a job replacement. Our job won't be to pull every knob and push every button – it will be making sure the machines are working right. A key trait in paid search success comes from looking under the hood, understanding how the automation works and how to use it to its full potential.

Keywords are going to go away someday. I don't know when that day is, but it will happen. Those who take the time to understand system quirks and features will win. Those who try to shoehorn their ways into the old way of thinking into the

future *will* be automated out of a job.

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