Performance Max: the good, the bad and the ugly

- Should you “upgrade” to Performance Max? If yes, how?
- Should you go back to Standard Shopping? If yes, how?
- Is there an in-between? Yes, but do you want it?
Intro

Andrew Lolk
Founder @ SavvyRevenue

→ +40 active advertisers across Europe, and the US
→ All we do is eCommerce
→ Further specialized in Google Shopping & feed management
The Good
We can all be friends

→ Performance Out of the Box
→ Not forced to opt in to everything
→ More insights than Smart Shopping
→ Should you upgrade to Performance Max?
→ If you can’t beat it, then what’s the point?
Performance is similar to Smart Shopping

Full Performance Max
We haven’t run much of it.

“Shopping Only“
Allows you to only run Shopping Ads.
You **don’t need to opt in** to the full setup

<table>
<thead>
<tr>
<th>Full Performance Max</th>
<th>“Shopping Only “</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search, Shopping, Display and YouTube</td>
<td>Allows you to only run Shopping Ads.</td>
</tr>
</tbody>
</table>
Shopping Ads Ad Formats

Search Network: All Tab (Carousel), Shopping tab and Image tab
Shopping Ads Ad Formats

Display Network:
Shopping Ads Ad Formats

YouTube:
Committed to more insights

Your week-over-week view
Conversions and cost are down for this campaign

<table>
<thead>
<tr>
<th>Audience segment</th>
<th>Type</th>
<th>Share of conversions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cycling Enthusiasts</td>
<td>Affinity</td>
<td>45.4%</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>In-market</td>
<td>50.3%</td>
</tr>
<tr>
<td>Home Decor</td>
<td>In-market</td>
<td>48.9%</td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>In-market</td>
<td>47.4%</td>
</tr>
<tr>
<td>Home &amp; Garden Services</td>
<td>In-market</td>
<td>56%</td>
</tr>
</tbody>
</table>

Show rows: 5  1 - 5 of 10

Consumer spotlight
Explore search terms that you

CONGSUMER INTEREST INSIGHT
Searches for "händig" and 2C categories increased
Should you upgrade?

A few notes:
- Deadline is September 2022
- Not too tight, but now leeway if something goes wrong in the transition
- Use the tool, but manually updating is also fine
The Initial ‘Shopping Only’ Setup

Exclude Brand
... your own branded terms

Always exclude, and run in a separate standard campaign.
Ensures you know what you are paying for.
Contact Google Rep to exclude*

Asset Groups
with no assets

Remove all assets
Ensures you only show up on Shopping Ads formatted placements.

Split Campaigns
when necessary

Often related to seasonality, different ROAS targets or launching new products.
Allows you to set budgets & targets specific to the product(s).
Performance Max as Your Baseline

If you can’t beat it, why bother?

1. Baseline ‘Shopping Only’ Performance Max
2. Split PMax campaign setup
3. Try a Standard campaign setup
4. Focus on what worked best
The Bad
Performance Max Woes

→ The Best Practice Performance Max Setup
  ● No go...
  ● Why I don’t trust Google

→ Pmax ‘Shopping Only’ vs Standard Shopping

→ Should you go back to Standard Shopping?

→ Manual bidding for Shopping is “dead”
The **general Performance Max setup** is not advantageous to most advertisers:

- Search, Shopping, Display & YouTube

... in **one** campaign
I don’t trust Google’s ability to **expand** my audiences.

**Exhibit A) Recommendations**
Ranked the worst in a recent industry survey.

**Exhibit B) Search Partners**
$8,000 spike in three days — **twice**
Refunded...

**Exhibit C) Display Spikes**
Sudden spike.
Refunded...
Exhibit A) Recommendations

... for a coding school:

New search trend

Searches for Airline Tickets, Fares & Flights have increased by 27% compared to the same period last year. Review what's driving the demand and whether you're keeping up.

Learn more   View
### Exhibit B) Search Partners Spike

#### Search terms

<table>
<thead>
<tr>
<th>Search term</th>
<th>Match type</th>
<th>Added/Excluded</th>
<th>Ad group</th>
<th>Clicks</th>
<th>Impr.</th>
<th>CTR</th>
<th>Avg. CPC</th>
<th>Cost</th>
<th>Conversions</th>
<th>Conv. value</th>
<th>Conv. value / cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phrase match (close variant)</td>
<td>Excluded</td>
<td>bedele seng</td>
<td>2,446</td>
<td>7,059</td>
<td>34.65%</td>
<td>DKK12.97</td>
<td>DKK31,729.65</td>
<td>10.00</td>
<td>10.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Search partners</td>
<td>Phrase match (close variant)</td>
<td>None</td>
<td>Seng pils</td>
<td>1,118</td>
<td>4,357</td>
<td>25.66%</td>
<td>DKK8.95</td>
<td>DKK10,005.25</td>
<td>7.00</td>
<td>7.00</td>
<td>0.00</td>
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<tr>
<td>Search partners</td>
<td>Phrase match (close variant)</td>
<td>None</td>
<td>Billig Seng</td>
<td>787</td>
<td>1,705</td>
<td>41.47%</td>
<td>DKK6.63</td>
<td>DKK4,684.02</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Search partners</td>
<td>Phrase match (close variant)</td>
<td>None</td>
<td>Gasteseng</td>
<td>4</td>
<td>43</td>
<td>10.00%</td>
<td>DKK5.34</td>
<td>DKK25.34</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Exhibit C) Display spike on Smart Shopping
Until Google doesn’t make such insane recommendations / spikes / inconsistencies in plain sight I will always be concerned about a black box
Other reasons to **skip** a full PMax setup

**Want to run YouTube?**
... or Display

Do it properly... with the right creative strategy, micro conversions and KPIs in place.

**Mixing Shopping & Search?**

Only for teams that don’t have time / skills to do anything else.
Should you go back to Standard Shopping?

In most cases, no...
Examples:
- Not enough time execute a granular setup
- Missing necessary know-how in-house
- Agencies keep promising the world

But yes if, you have the insights
- Sales or Seasonality
- Price competitiveness
- Custom product scores

... or need access to
- Min. / Max CPCs
- Seasonal Bid Adjustments
- Data Exclusion
- Priority setting
Standard Shopping campaigns should always be run with **Smart Bidding**

Manual bidding is *almost pointless* for Shopping
Smart Bidding Signals

- Price Competitiveness
- Seasonality
- Device
- Actual Search Query
- Product Attributes
For Shopping Ads it’s not fair

Limiting to the most useful bidding signals

<table>
<thead>
<tr>
<th></th>
<th>Manual bidding</th>
<th>Smart bidding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual search query</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Product attributes</td>
<td>Advanced Setup</td>
<td>✓</td>
</tr>
<tr>
<td>Device</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Price competitiveness</td>
<td>Advanced Setup</td>
<td>✓</td>
</tr>
<tr>
<td>Seasonality</td>
<td>Advanced Setup</td>
<td>✓</td>
</tr>
</tbody>
</table>
The Ugly

No insights to *network*?

<table>
<thead>
<tr>
<th>Campaign</th>
<th>Campaign type</th>
<th>↓ Clicks</th>
<th>Impr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Max - On Sale &amp; &lt;$10k Price</td>
<td>Performance Max</td>
<td>10,507</td>
<td>1,418,207</td>
</tr>
<tr>
<td>Cross-network</td>
<td></td>
<td>10,507</td>
<td>1,418,207</td>
</tr>
</tbody>
</table>
Not **allowed to know** how much XYZ **spends** or how well it **converts**?

- **Great YouTube Performance?**
  - Let me invest in better videos to expand further. WUHU!

- **Shopping only spending 10%?**
  - Maybe something is wrong with my product pages…

- **Search too narrowly focused**
  - Branded, product or model keywords. What about generic? Or vice versa?
Many of us spend our days finding insights, acting on insights and relaying insights back to advertisers so we can grow a channel.

Not having that any insight means we are stuck with whatever revenue/ROAS Google can provide for our current situation.

... and that’s a recipe for disaster long term.
Help Pmax
... and help yourself

 Performance Max still needs help
  ● Feed optimization is a basic
  ● Segmenting products
The insight: Products on Sale = Better ROAS

March:

<table>
<thead>
<tr>
<th>Custom label 2</th>
<th>Cost</th>
<th>Conv. rate</th>
<th>Conv. value / cost</th>
<th>Conv. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>no sale</td>
<td>SEK120,195.42</td>
<td>0.42%</td>
<td>1.55</td>
<td>186,848.70</td>
</tr>
<tr>
<td>-15%</td>
<td>SEK59,644.07</td>
<td>0.78%</td>
<td>3.07</td>
<td>183,217.52</td>
</tr>
<tr>
<td>-</td>
<td>SEK44,304.82</td>
<td>0.44%</td>
<td>1.81</td>
<td>80,319.74</td>
</tr>
<tr>
<td>-20%</td>
<td>SEK7,640.64</td>
<td>2.06%</td>
<td>2.78</td>
<td>21,275.70</td>
</tr>
</tbody>
</table>
The action: Split campaigns in two

April:

<table>
<thead>
<tr>
<th>Custom label 2</th>
<th>Cost</th>
<th>Conv. rate</th>
<th>Conv. value / cost</th>
<th>Conv. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-15%</td>
<td>SEK 150,481.14</td>
<td>0.62%</td>
<td>1.98</td>
<td>297,427.44</td>
</tr>
<tr>
<td>no sale</td>
<td>SEK 71,248.79</td>
<td>0.23%</td>
<td>1.19</td>
<td>84,904.99</td>
</tr>
<tr>
<td>-20%</td>
<td>SEK 27,658.39</td>
<td>1.25%</td>
<td>3.48</td>
<td>96,132.19</td>
</tr>
</tbody>
</table>
The follow up: Force spend on Promotions

**May:**

<table>
<thead>
<tr>
<th>Custom label 2</th>
<th>Cost</th>
<th>Conv. rate</th>
<th>Conv. value / cost</th>
<th>Conv. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-15%</td>
<td>SEK84,486.39</td>
<td>0.70%</td>
<td>2.56</td>
<td>216,648.56</td>
</tr>
<tr>
<td>-20%</td>
<td>SEK43,331.08</td>
<td>1.08%</td>
<td>4.47</td>
<td>193,748.45</td>
</tr>
<tr>
<td>no sale</td>
<td>SEK27,855.74</td>
<td>0.25%</td>
<td>1.61</td>
<td>44,843.89</td>
</tr>
</tbody>
</table>
The result: Consistent action on insights

<table>
<thead>
<tr>
<th>Month</th>
<th>Cost</th>
<th>Conv. rate</th>
<th>Conv. value / cost</th>
<th>Conv. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 2022</td>
<td>SEK65,640.20</td>
<td>0.40%</td>
<td>2.31</td>
<td>151,401.17</td>
</tr>
<tr>
<td>Mar 2022</td>
<td>SEK236,996.47</td>
<td>0.55%</td>
<td>2.35</td>
<td>557,714.36</td>
</tr>
<tr>
<td>Apr 2022</td>
<td>SEK266,666.31</td>
<td>0.52%</td>
<td>1.97</td>
<td>525,677.61</td>
</tr>
<tr>
<td>May 2022</td>
<td>SEK160,228.98</td>
<td>0.64%</td>
<td>3.13</td>
<td>502,084.60</td>
</tr>
</tbody>
</table>
What did we do?

Identified three segments
Pricing level, on sale vs not & discount tier

Analyzed the performance
Discount tier not relevant. Pricing level & whether it was on sale were very relevant.

Took action on the insights
And changed course underway.
Decide

Are you going to act?

If not, then Performance Max is fine.

- Don’t waste time with Standard Shopping
- Focus your time elsewhere

If you are, consider how to:

- Get the insights
- Use the insights
  - Pmax vs Standard Shopping?
- Expand the insights
Scaling Paid Search for B2C eCommerce stores across Europe

With automation, local know-how and best-in-class PPC we take over when others peak.

LET US SHOW YOU HOW
Download slides at:

https://savvyrevenue.com/fos/