

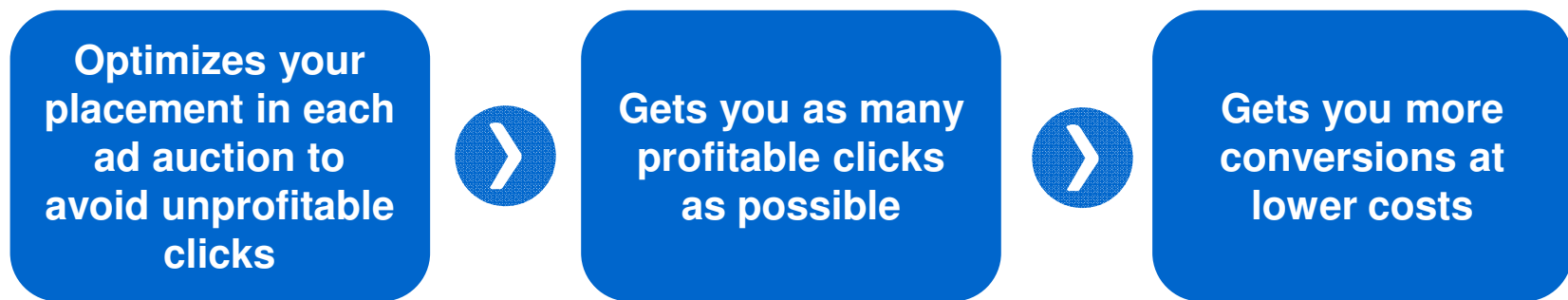


Conversion Optimizer:

Multi-dimensional Bid Management

Conversion Optimizer Interesting Facts

- **Multi-dimensional Bid Management** tool which can improve your campaign's performance
- Works on **both** content and search
- Available to campaigns using AdWords Conversion tracking which have received 30 conversions in the past 30 days
- **No additional charge** for AdWords advertisers
- Campaigns adopting CO achieve a 21% increase in conversions and 14% decrease in CPA*



* This analysis compares the performance of Conversion Optimizer campaigns with a control set of campaigns and represents the average impact of Conversion Optimizer. The actual impact will vary from campaign to campaign (and a small number of advertisers could conceivably perform better without Conversion Optimizer).

Simple vs. Multi-dimensional Bid Management

Simple Bid Management

- Varies bids by keyword (only)
- No other factors taken into account
- Examples: manual bid management, 3rd party bid management

Multi-dimensional Bid Management

- Considers many other factors that indicate the value of a click (Examples: user location, match quality, user query, content site, etc.)
- Optimizes performance in real time based on the specific characteristics of each auction
- Opportunity to achieve much better performance

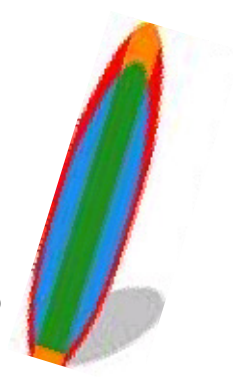
Google Conversion Optimizer



How Simple Bid Management works

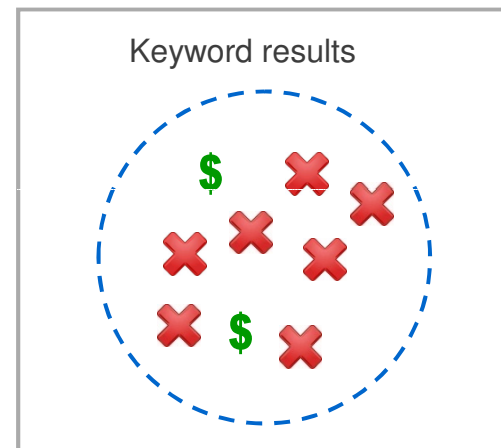
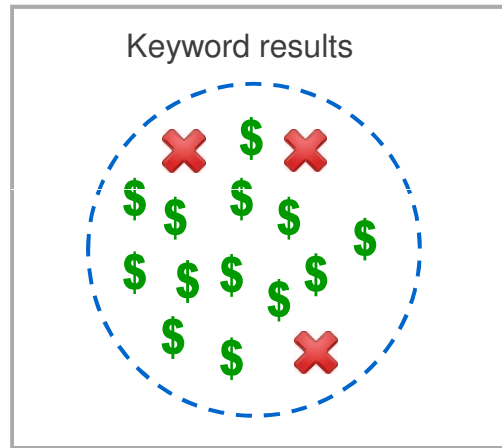
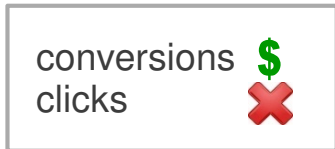
I sell customized surfboards online.

How much should I bid on my keywords **surfboard** and **ocean sports**?



Keyword: **surfboard** (broad-match)

Keyword: **ocean sports** (broad-match)

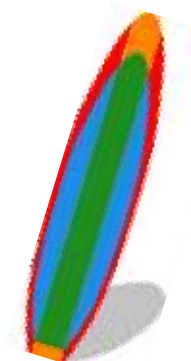


“good” keyword
high conversion
rates

“bad” keyword
lower conversion
rates

With Simple Bid Management, **surfboard** is identified as a “good” keyword and **ocean sports** as a “bad” keyword. **Ocean sports** will have lower bids and most of those clicks will disappear.



How Multi-dimensional Bid Management is more effective

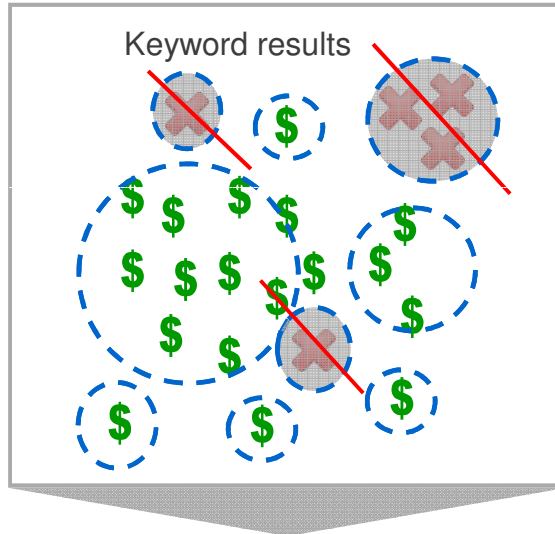


Looking deeper than just at the keyword level, there are fine-grained pockets of good and bad performance

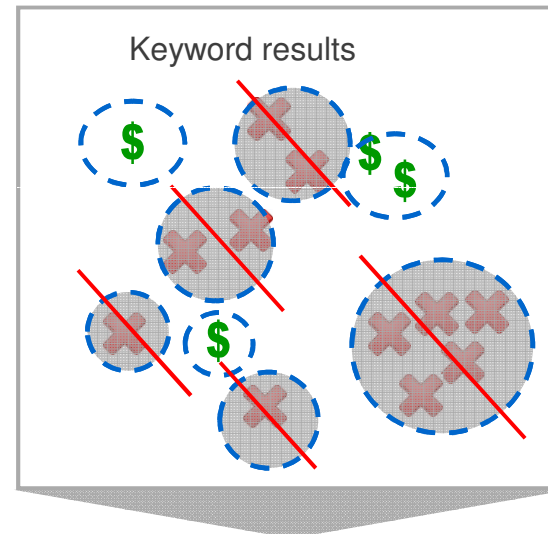
Keyword: **surfboard** (broad-match)

Keyword: **ocean sports** (broad-match)

conversions 
clicks 



Refinement: I don't ship internationally, so international clicks unlikely to convert.



Refinement: on certain AdSense for Search partner sites, these clicks convert very well.

In Multi-dimensional Bid Management, the good parts of both keywords are taken, therefore: many unprofitable clicks are eliminated and less opportunity is missed.

Conversion Optimizer knows: keyword is not the only predictor of conversion rate

Conversion Optimizer considers **many other auction factors** in optimization, including

Search targeting

- Broad vs. exact match
- Particular broad-match query
- Search partner site

Content targeting

- Content site “topic”
- Match quality between ad and content
- Actual content site

User attributes

- User location
- Browser
- Operating system
- Language setting

**Factors
unavailable to
simple bid
management**

Conversion Optimizer: Increases profit and saves time

Increases your profits



Multi-dimensional Bid Management for AdWords better matches ads with customers

Easy to use



Improves AdWords' ease of use with less time spent managing bids

No additional charge for AdWords advertisers



No extra fees or new interfaces to learn

Google AdWords

Campaign Management | Reports | Analytics | My Account

Campaign Summary | Tools | Conversion Tracking | Website Optimizer

Search my campaigns:

Campaign Summary > Clothing campaign

Campaign: Clothing campaign - Paused | Resume Campaign | Delete Campaign

Conversion Optimizer enabled

Campaign Daily Budget: USD \$1.00 | Edit Campaign Settings

5 campaign negative keyword(s): edit | 4 excluded site(s): edit

Show all Ad Groups

Nov 7, 2007 1 - 2 of 2 Ad Groups.

+ Create New Ad Group View All Ad Groups

| Ad Group Name | Status | Current Bid Max CPA | Clicks | Impr. | CTR | Avg. CPC | Cost | Avg. Pos | Conv. Rate | Cost/Conv. |
|--------------------------------|--------|------------------------|----------|----------|-----|----------|------|----------|--------------|---------------|
| Shirts | Active | \$7.00 | 0 | 0 | - | - | - | - | 0.00% | \$0.00 |
| Hats | Active | \$7.00 | 0 | 0 | - | - | - | - | 0.00% | \$0.00 |
| Total - all 2 Ad Groups | | | 0 | 0 | | | | | 0.00% | \$0.00 |

Save this report as and email me

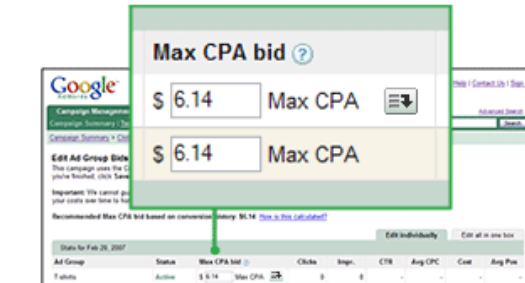
| Keyword | Clicks | Conversions | Cost / Conversion | Transactions | Cost / Transaction | Total Value | Sales Count | Sales Value | Leads Count | Leads Value | Sign- ups Count | Sign- ups Value |
|-------------------------------------|--------|-------------|----------------------|--------------|-----------------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-----------------------|
| Totals and Overall Averages: | 40,903 | 1,578 | \$13.92 | 5,560 | \$3.95 | 7,307.00 | 623 | 852.00 | 1,644 | 2,330.00 | 3,293 | 4,125.00 |
| SAO | 171 | 17 | \$2.47 | 23 | \$1.82 | 23.00 | 4 | 4.00 | 10 | 10.00 | 9 | 9.00 |
| Total - content targeting | 1,934 | 25 | \$49.03 | 109 | \$11.25 | 109.00 | 7 | 7.00 | 32 | 32.00 | 70 | 70.00 |
| adler shoes | 24 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| alex shoes | 23 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| bailey shoes | 22 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| baron shoes | 3 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| boxer shoes | 28 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| becker shoes | 1 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| best men's shoes | 11 | 1 | \$8.49 | 7 | \$1.21 | 7.00 | 1 | 1.00 | 1 | 1.00 | 5 | 5.00 |
| big men's shoes | 132 | 1 | \$95.89 | 3 | \$31.96 | 3.00 | 0 | 0.00 | 0 | 0.00 | 3 | 3.00 |
| big mens shoes | 26 | 1 | \$21.63 | 1 | \$21.63 | 1.00 | 0 | 0.00 | 0 | 0.00 | 1 | 1.00 |
| black leather shoes | 47 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| black remix shoes | 0 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| boot business | 1 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| boot casual | 55 | 0 | \$0.00 | 0 | \$0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

How Conversion Optimizer works

- 1 You provide a Max CPA bid for each ad group
- 2 Conversion Optimizer considers many factors...



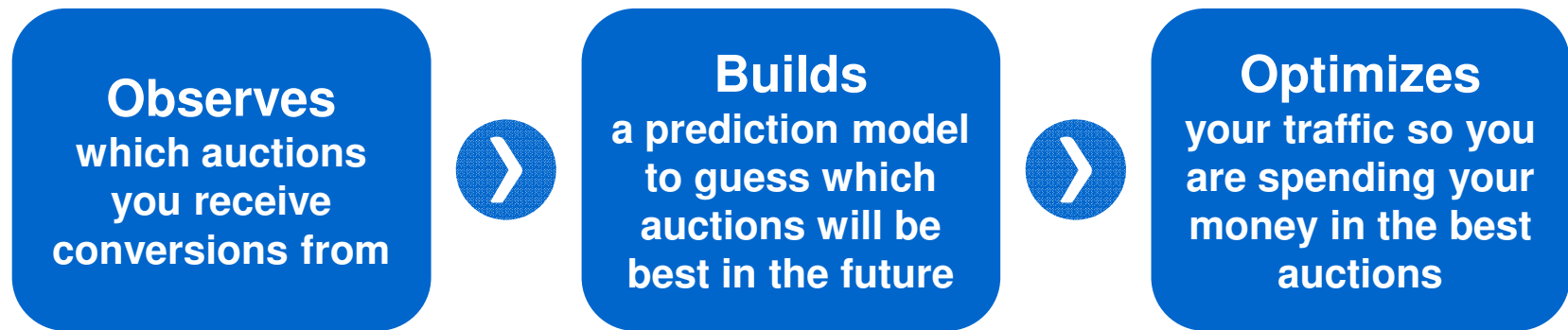
user location
query performance
partner sites
more . . .



...in order to calculate a predicted conversion rate for each auction (based on historical data). . . .

- 3 Then finds the **optimal equivalent CPC bid** for your ad each time it's eligible to appear
- 4 **Max CPA** is combined with the **Predicted Conversion Rate** and **Quality Score** to produce **Ad Rank**

Conversion Optimizer uses your Conversion Tracking data to predict how your ads will do in the future



10 Important things to know about the Max CPA bid

1 The Max CPA bid is similar to the Max CPC bid – **the most you want to pay for a conversion**

2 Although you are bidding with a CPA, with the Conversion Optimizer **you still pay per click**. It is like being charged a little piece of your CPA for each click

3 A Max CPA is **not an average or target**. Your average CPA will usually be less than your bid. (Just as if you bid a Max CPC and your average CPC is less than this, you might bid a Max CPA and get an average CPA below this.)

4 You should **start with the recommended bid** presented when you first turn on Conversion Optimizer. Raise and lower your bid once you have some data to optimize your performance.

5 You can set a different **Max CPA bid for each ad group**

6 **Don't set too low of a bid**, particularly when you first turn on Conversion Optimizer. A very low bid is likely to reduce traffic.

7 **Monitor and tweak your Max CPA bids** as you would any other bid, to get the most profit from your campaign.

8 **Change your Max CPA as often as you like**. If you'd like more conversions, raise your bid. If you'd like a lower average CPA, lower your bid.

Your average depends on factors outside Google's control, so **your actual CPA may sometimes exceed the maximum CPA you specify**

10 **Experiment** and find out what works best for you!

10 Tips for Conversion Optimizer success

1 Start with the recommended CPA bid and **modify your bids often** to find your “sweet spot”.

2 It's easy to try, so **try it out**. If you choose to turn off the Conversion Optimizer, your campaign will revert to the previous CPC bids you were using.

3 Use the Conversion Optimizer with **existing campaigns**. The longer a campaign has used conversion tracking, the more data the Conversion Optimizer has available.

4 If you don't have a campaign yet, but want to try Conversion Optimizer, **create a new CPC campaign and let it run for a few weeks with conversion tracking**. Then turn CO on, but keep in mind performance will improve over time as CO gets more data.

5 Keep in mind that **changes in ad performance are natural**, and you may need to use the Conversion Optimizer for some time to get an accurate understanding of its effects on your campaign's performance.

6 **Don't make huge changes** to a campaign while running Conversion Optimizer. (Example: deleting all ad groups and replacing with new ones.)

7 **Do make small changes** to your campaign that fit your business needs. (Examples: adding/deleting keywords, changing creative, changing landing page.)

8 **Don't remove your conversion tracking code** from your website or move it to a different location while running Conversion Optimizer.

9 **Raise your Max CPA bid if you want to increase traffic and conversions**. Lower your Max CPA bid if you want to lower your average CPA. Traffic will likely decrease.

10 **Compare your CPA and # conversions** before and after using Conversion Optimizer so you know how much improvement it made on your campaign.

Enabling Conversion Optimizer: Step 1

The screenshot shows the Google AdWords Campaign Management interface. At the top, there are navigation tabs for Campaign Management, Reports, Analytics, and My Account. Below these, there are links for Campaign Summary, Tools, and Conversion Tracking, along with a search bar for campaigns. The main section is titled 'All Campaigns' and includes a date filter for 'Mar 5, 2007'. A table lists the campaigns, with columns for Campaign Name, Current Status, Current Budget, Clicks, Impr., CTR, Avg. CPC, and Cost. The 'Sagrada' campaign is selected with a checkmark, and its 'Edit Settings' button is highlighted with a red box. A red checkmark is also placed to the left of the 'Sagrada' row. Below the table, there is a link to 'Learn how your account settings affect your ad performance'.

| <input type="checkbox"/> | Campaign Name | Current Status | Current Budget [?] | Clicks | Impr. | CTR | Avg. CPC | Cost |
|-------------------------------------|---------------|----------------|----------------------------------|--------|-------|-------|----------|--------|
| <input type="checkbox"/> | Campaign #1 | Paused | [\$1.00 / day] | 0 | 0 | - | - | \$0.00 |
| <input checked="" type="checkbox"/> | Sagrada | Active | \$1.00 / day | 0 | 242 | 0.00% | - | \$0.00 |
| Total - all 2 campaigns | | - | \$1.00 / day active campaigns | 0 | 242 | 0.00% | - | \$0.00 |

Select the campaign you want to enable for and click on “Edit Settings”

Enabling Conversion Optimizer: Step 2



Campaign Management | Reports | Analytics | My Account

Account Snapshot | Campaign Summary | Tools | Conversion Tracking | Website Optimizer

Search my campaigns:

[Campaign Summary](#) > [Campaign #4](#) > Edit campaign settings

Edit Campaign Settings: Campaign #4

Basic settings

Campaign name:

Start date: Sep 12, 2007

Will run until: No end date
 Feb 2010

Budget options

Budget: \$ / day [?](#)
[View Recommended Budget](#) | [How will my budget affect my ad performance?](#)

Delivery method: [?](#) Standard: Show ads evenly over time
 Accelerated: Show ads as quickly as possible

Networks and bidding

All network types: Maximum CPC bidding [Change bidding strategy](#)

| | Show my ads on: | Options: Maximum CPC bidding |
|----------|---|---|
| Search: | <input type="checkbox"/> Google search ? <input type="checkbox"/> Search partners ? <small>Requires Google search</small> | No options |
| Content: | <input checked="" type="checkbox"/> The content network ? | Demographics: View and edit options |

Under Advanced Options, click on “Change bidding strategy” link

Enabling Conversion Optimizer: Step 3

Google AdWords

Campaign Management | Reports | Analytics | My Account

Account Snapshot | Campaign Summary | Tools | Conversion Tracking | Website Optimizer

Campaign Summary > Birds > Edit campaign settings > Bidding Options

Bidding Options: Birds

Choose one:

- Manual bidding**
Max CPC bids
(formerly called *Set maximum limits*)
 - Set the highest price you're willing to pay for each click
 - Choose this option if you need maximum control of each bid
[Learn more](#)
- Conversion Optimizer**
Max CPA bids
 - Set the highest price you're willing to pay for each [conversion](#).
 - Google will optimize your performance to get you the highest return on investment
 - You must use Google Conversion Tracking (and have at least 30 conversions in the last 30 days)
[Learn more](#)

When you choose the Conversion Optimizer:

 - Any position preferences you have set will be turned off.
 - Ad scheduling (advanced mode) will be turned off, and your campaign will begin using the simple mode of ad scheduling.
- Budget Optimizer**
No bids needed
 - Set a 30-day budget
 - Google will manage your bids to earn the most possible clicks within that budget
 - Choose this option for the simplest bidding experience. Great for new users
[Learn more](#)

When you choose the Budget Optimizer:

 - Any content bids you have set will be turned off.
 - Any position preferences you have set will be turned off.
 - Ad scheduling will be turned off.
 - (Those settings will be saved in case you return to manual bidding in the future.)
- Preferred cost bidding**
Average CPC bids
 - Set the average price you want to pay for each click
 - Google will manage your bids to give you a predictable average cost per click
[Learn more](#)

Save and Continue > Cancel

Select the option to use Conversion Optimizer and click “Continue”

Use recommended bid or customize your bid: Step 4

Conversion Optimizer Bid Settings

To target your historical average CPA of: \$12.16, the recommended Max CPA bid for this campaign is: **\$50.21**. This is approximately equivalent to a Max CPC bid of: \$2.81.

By choosing "Use recommended bids" below, you'll start using Conversion Optimizer with the bids it recommends. If you customize your starting bid below the recommended amount, you'll probably pay less for each acquisition, but see less traffic on your ad and get fewer conversions. [Learn more](#)

Use recommended bids
 Customize previous Conversion Optimizer bids...

You can start with the recommended bid or create a custom bid

It can be good idea to start with the recommended bid and then tweak the bid up and down to find the ideal spot for you

Enabling Conversion Optimizer: Step 5



Campaign Management | Reports | Analytics | My Account [Advanced Search](#)

Campaign Summary | Tools | Conversion Tracking | Website Optimizer Search my campaigns:

[Campaign Summary](#) > Clothing campaign

Campaign: Clothing campaign - Paused | [Resume Campaign](#) | [Delete Campaign](#)

1 Conversion Optimizer enabled [?](#)

Campaign Daily Budget: USD \$1.00 | [Edit Campaign Settings](#)
5 campaign negative keyword(s): [edit](#) | 4 excluded site(s): [edit](#)
Show all Ad Groups

Nov 7, 2007 1 - 2 of 2 Ad Groups.

+ [Create New Ad Group](#) [View All Ad Groups](#)

3 **2**

yesterday
Nov 7 2007 - Nov 7 2007

| <input type="checkbox"/> | Ad Group Name | Status | Current Bid ? Max CPA | Clicks | Impr. | CTR | Avg. CPC | Cost | Avg. Pos | Conv. Rate | Cost/Conv. |
|--------------------------|-------------------------------|------------------------|--|------------------------|-----------------------|---------------------|--------------------------|----------------------|--------------------------|----------------------------|----------------------------|
| <input type="checkbox"/> | Shirts | Active | \$7.00 | 0 | 0 | - | - | - | - | 0.00% | \$0.00 |
| <input type="checkbox"/> | Hats | Active | \$7.00 | 0 | 0 | - | - | - | - | 0.00% | \$0.00 |
| Total - all 2 Ad Groups | | - | - | 0 | 0 | - | - | - | - | 0.00% | \$0.00 |

1. Confirmation that Conversion Optimizer is enabled appears on Ad Group page
2. Max CPC column replaced by Max CPA
3. Edit your CPA bid at any time by clicking “Edit Bids”

Edit your bid: Step 6



Campaign Management | Reports | Analytics | My Account

Account Snapshot | Campaign Summary | Tools | Conversion Tracking | Website Optimizer

Search my campaigns: Search

[Campaign Summary](#) > [Surfboards](#) > Edit Ad Group CPA Bids

Campaign: Surfboards - Active
Conversion Optimizer enabled ⓘ Budget: \$25.00 / day | [Edit campaign settings](#)
No campaign negative keywords | No site or category exclusions

Edit Ad Group Bids

Stats for Mar 3, 2009 to Mar 20, 2009

[Edit individually](#) [Edit all in one box](#)

| Ad Group | Status | Bids Max CPA ⓘ | Clicks | Impr. | CTR | Avg. CPC | Cost | Avg. Pos |
|--------------|--------|-------------------------------|--------|-------|-------|----------|------|----------|
| Short boards | Active | \$ 0.01 <input type="text"/> | 0 | 0 | - | - | - | - |
| Long boards | Active | \$ 25.00 <input type="text"/> | 0 | 53 | 0.00% | - | - | 1.9 |

[Save Changes](#) [Cancel](#)

Edit your Max CPA bid per Ad Group and click “Save changes”

Resources

Conversion Optimizer website

<http://www.google.com/adwords/conversionoptimizer/>

Conversion Optimizer video

<http://www.youtube.com/watch?v=ynMJyem7ISM>

Product FAQs

<http://adwords.google.com/support/bin/topic.py?topic=12045>