

Budget Management

Slidedeck





What you'll learn

Main Topics

- 80/20 principle
- What happens when you assign a budget
- How bid strategies impact budgets
- "Unlimited" budgets

80/20 principle in Google Ads

- In search campaigns – 20% of keywords will deliver 80% of conversions
- In Performance Max campaigns – 20% of your products will deliver 80% of conversions

and so on...

Our goal is to nail down the 20% to get the 80% of conversions.

Don't stress if half your keywords never convert. The goal is to uncover the converting targeting and double down on that.

Budget management

- don't raise your campaign budget just because Google is telling you to. Always go back to your performance metric (CPA/ROAS) and increase budgets once performance is there
- if a campaign is not performing, you need to do some campaign optimisation (covered in M7) before raising budgets. You don't want to raise budgets and spend more money and not get results. Focus on optimising for conversion performance, and then raise budgets.



Using budget as an optimisation lever

- focus on allocating budget to top performing campaigns. If these are maxed out, then look at allocating any leftover budget else where.
- for example, if you have Performance Max and Search running and Performance Max is outperforming, shift budget allocation accordingly
- essentially the budget strategy is "follow the money" – allocate more budget to the campaigns performing best, and less to those that aren't performing as well



Reducing budgets v pausing

- when you're wanting to stop a particular campaign from spending, we prefer to set the budget to 1 cent, rather than pausing the campaign.
- using the 1 cent budget effectively pauses it and keeps it alive in Google's eyes so that if you ever re-start it, it's quicker to gather speed again.
- pausing and unpausing tends to throw the system out a bit



Bid strategies and budgets

- When using Max Conversions or Max Conversion Value without a CPA/ROAS target, budget is a key driver of volume and performance
 - Google will aim to "hit" your daily budget
 - the higher the budget, the colder the traffic
- Start with around \$10 a day on those campaigns, and then increase/decrease based on performance
- When using CPA/ROAS or manual bid strategy, you can set higher budgets, and Google won't keep spending unless inventory is there

Using ROAS/CPA as a budget lever

When you're using ROAS/CPA bid strategy toggling the target will also impact budget. For example –

- if your current CPA target is set to \$30 and you want to increase spend, increasing the CPA target will increase audience available
- if your current ROAS target is 400% and you want to increase spend, decreasing your ROAS target will increase audience available

I use this frequently if I notice that the campaign is overperforming, and I want to bring things to the goal ROAS/CPA.

Raising budgets

This will only increase spend if you:

- are initially limited by budget OR
- you increase your targeting OR
- you're using Maximise Conversions or Maximise Conversion Value without a CPA/ROAS target
 - therefore do NOT raise a budget on campaigns using this bid strategy if they're not yet at or very close to campaign goal



Budgets and search campaigns

If you have multiple adgroups within a search campaign, budget will always go towards the “greediest” targeting.

This means whatever adgroup has the “broader” targeting, or higher volume keywords, will always get more daily budget allocated.

This is not necessarily a bad thing. Don't expect equal spend across different adgroups. Focus on performance of adgroups/keywords and optimise from there.

Budgets and Performance Max

- If all products are in the same campaign, Google will decide which products to focus on
- Hence the importance of a segmented product strategy



Unlimited budgets

- managing accounts based on performance, rather than fixed spend
- for example –
 - instead of spending \$5k per month, spending as much as possible as long as ROAS remains above X% or CPA remains below \$X

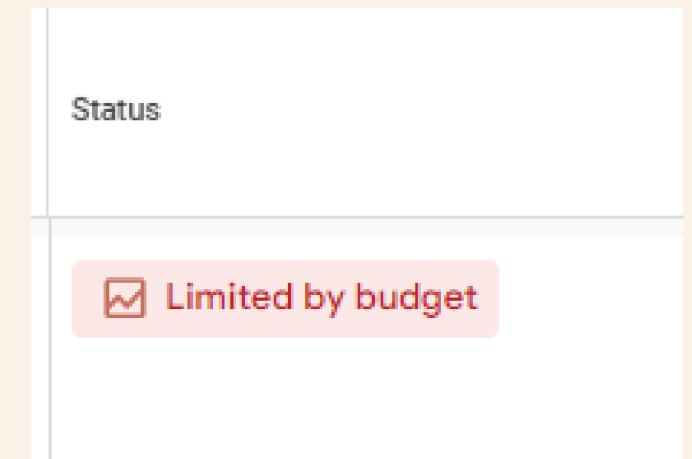


What happens when a campaign goes "live"

- once you assign a daily budget you want to check in the interface that you are receiving impressions for those campaigns within 24 hours
- it can take a few days for a new campaign to kick into gear
- if longer than 3-4 days and you're still seeing low impressions, it's usually an indication that targeting is too restrictive
- if that doesn't work, look at expanding your targeting
- don't Google your own name - use our FAQ instead

What does limited by budget mean?


- This is Google's way of telling you that there is more potential to spend money on this campaign
- Don't just increase your budget for the sake of it.
- First – look at your campaign performance
 - If it's going well and you are using CPA/ROAS bid strategy you can increase daily budget if you have the capacity.
 - You can expect more of the same performance, just higher volume
 - If it's going well and you are not using CPA/ROAS bid strategy you can increase in smaller increments.
 - If the campaign is not going well, don't increase it.
 - Increasing budget will just get you more of the same.



See our FAQ for more information.

What does limited by bid strategy mean?

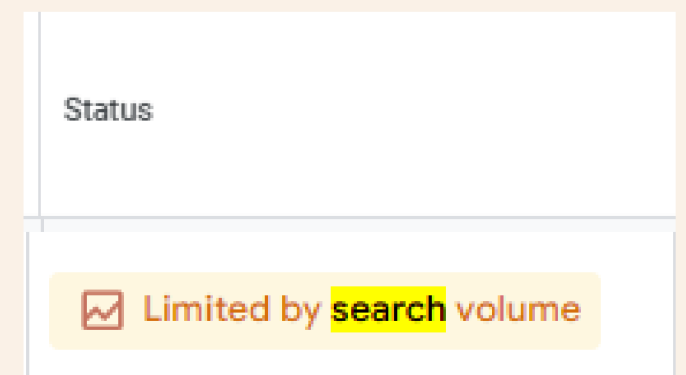
- Google think there is a better bid strategy for the campaign
- Very common and doesn't need to be reviewed – Google are trying to do what's best for their bottom line, and suggest the bid strategies that are going to spend more \$\$ (irrespective of performance)

Status
 Limited by bid strategy



What does limited by search volume mean?

- Google are trying to get you to add more broad match keywords
- Again, wanting you to spend more money
- If the campaign is spending and converting, likely not an issue.
- If not spending, might need to add some more targeting (keywords), but avoid adding broad unless on CPA/ROAS bidding and already at goal



Does changing settings reset learning?

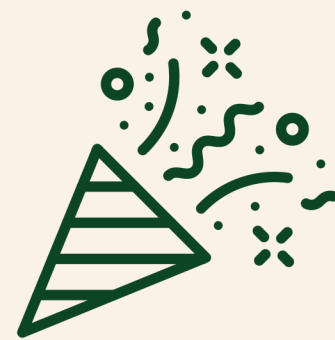
- Changes in bids, keywords, match types, location etc will not throw the campaign into learning mode.
- Bid strategy changes might mean the status of the campaign is "bid strategy learning" but it's usually negligible.
 - For example, if you're changing ROAS/CPA targets, don't expect the campaign to hit the new target on the first day. It will take a few days to "settle in"
- Don't stress if you have the bid strategy learning status, and don't avoid making changes because of it.

Status
Bid strategy learning



What budget do I set?

- client/business led



You're done!