

Determine a Bid Strategy for Google Ads Campaigns

Last Updated / Reviewed: Jan 10th, 2023

Execution Time: ~5 - 15 Mins



Goal: To determine the right bidding strategy for your Google Ad campaigns.

Ideal Outcome: Set up a bidding strategy that maximizes the objective of your ad campaign.

Prerequisites or requirements: You will need to set up conversion tracking prior to launching this campaign, if you have not, then please follow [SOP 025: Adding Google Ads conversion tracking to a site](#).

Why this is important: Setting a bidding strategy is a prerequisite for launching a Google Ad campaign, and selecting the right bidding strategy will greatly affect its performance.

Where this is done: Google Ads manager.

When this is done: When you're launching an ad campaign on Google.

Who does this: The person responsible for media buying.

Overview

Below are different bid strategies depending on the goal and objective of your campaign.

1. [Bid Strategy for Increasing Brand Visibility](#)
2. [Bid Strategy for Increasing Website Traffic](#)
3. [Bid Strategy for Generating Leads](#)
4. [Bid Strategy for Increasing Sales and Profits'](#)

Note: This SOP won't go over the campaign setup process and will instead provide guidance on the budget and bidding section of the campaign setting. If you're looking for SOP on creating a Google ads campaign from scratch, please refer to the following SOP:

- [SOP 138: Set up a Google Search campaign](#)
- [SOP 144: Set up a Google Dynamic Search Ad Campaign](#)
- [SOP 153: Set up a Google Brand Awareness Campaign](#)

Bid Strategy for Increasing Brand Visibility

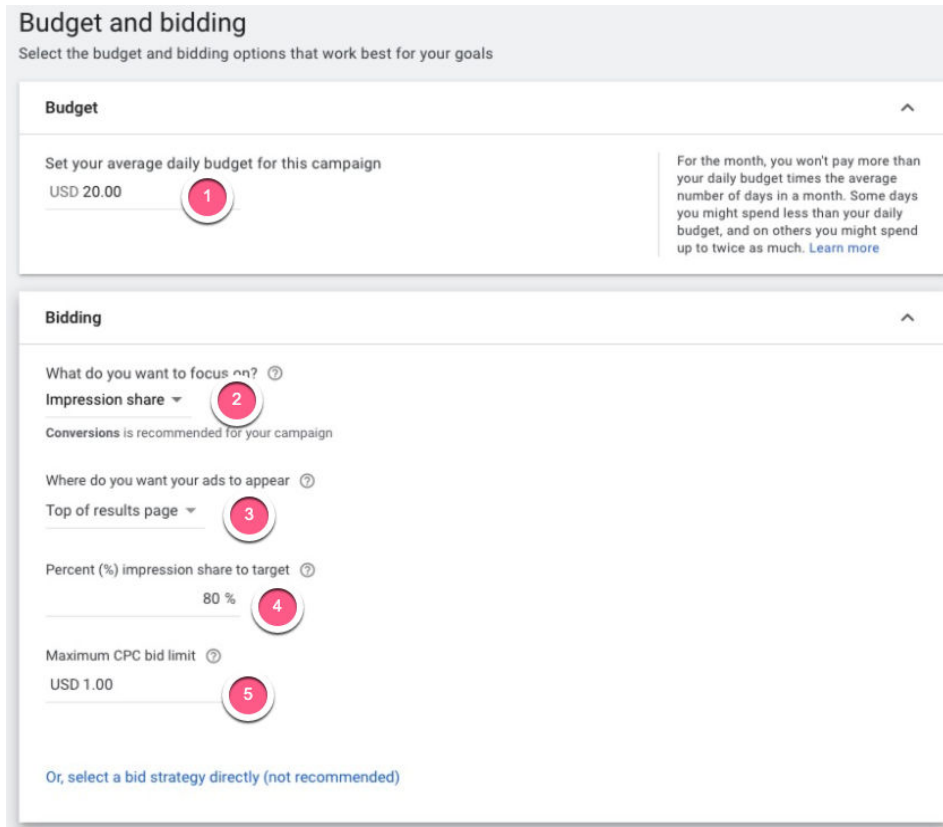
Recommended for: New businesses or consultants trying to establish their brand for certain keywords. For example, a dentist with a new clinic wants their ads to show when users search for “Best dentist in London”.

Objective: To increase brand awareness when someone searches for a keyword related to your business/website.

The priority of this bidding strategy is to appear at the top of Google search results and increase visibility of the brand.

Note: Google may show your ad in the search results even though the probability of the user clicking and interacting with your ads are low.

In Budget and bidding:



Budget and bidding
Select the budget and bidding options that work best for your goals

Budget

Set your average daily budget for this campaign
USD 20.00 **1**

For the month, you won't pay more than your daily budget times the average number of days in a month. Some days you might spend less than your daily budget, and on others you might spend up to twice as much. [Learn more](#)

Bidding

What do you want to focus on? **2**
Impression share
Conversions is recommended for your campaign

Where do you want your ads to appear? **3**
Top of results page

Percent (%) impression share to target **4**
80 %

Maximum CPC bid limit **5**
USD 1.00

Or, select a bid strategy directly (not recommended)

1. **Budget** —Set an appropriate daily budget for the campaign.
2. **Bid Focus** — Set the bid focus to “Impression share”.
3. **Where do you want your ads to appear** — There are 3 options to choose based on your preference:
 - a. Anywhere on the search results page (Least competitive).
 - b. Top of results page - Among the ads at the top of the first page of search results.
 - c. Absolute top of the results page - The first position at the top of the first page of search results (Most competitive).
4. **Percent (%) impression share to target** — Set a percentage for how often you want your ads to appear for the target keyword.

For example if you set an 80% impression share, Google Ads will automatically set your Cost Per Click (CPC) bids to help show your ads on the top of the page 80% of the total possible amount of times they could show.



5. **Maximum CPC bid limit** — This is the maximum amount you will pay for each click. This is optional but recommended to set. To estimate how much you should bid, [find the historical cost per click for your keywords](#) and bid 10-20% higher than the average to increase the probability of a successful bid.

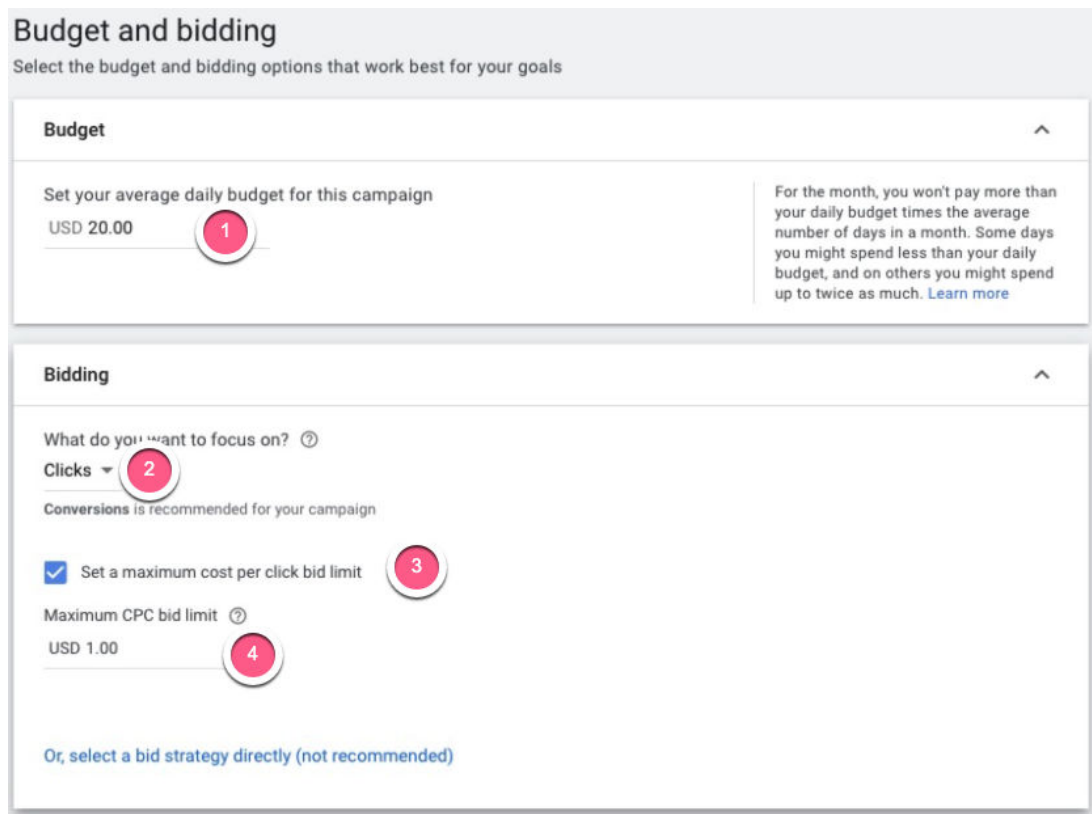
☐ Bid Strategy for Increasing Website Traffic

Recommended for: New businesses (launching new ad campaign for the first time with fresh Google Ads account) or websites such as a blog that wants to generate traffic from Google.

Objective: To generate traffic from Google.

The priority of this bidding strategy is to show ads to people who are more likely to click on the ad at the lowest cost per click.

In Budget and bidding:



The screenshot shows the 'Budget and bidding' configuration page in Google Ads. It is divided into two main sections: 'Budget' and 'Bidding'. The 'Budget' section includes a slider for 'Set your average daily budget for this campaign' set to 'USD 20.00', with a red circle '1' highlighting the value. A text box on the right explains that the monthly spend won't exceed the daily budget times the number of days in the month. The 'Bidding' section asks 'What do you want to focus on?' with a dropdown menu set to 'Clicks', highlighted with a red circle '2'. Below this, it notes that 'Conversions' is recommended. A checkbox 'Set a maximum cost per click bid limit' is checked, highlighted with a red circle '3'. The 'Maximum CPC bid limit' is set to 'USD 1.00', highlighted with a red circle '4'. At the bottom, there is a link to 'Or, select a bid strategy directly (not recommended)'.

1. **Budget** —Set an appropriate daily budget for the campaign.



2. **Bid Focus** — Set the bid focus to “Clicks”. This sets the bidding strategy to “Maximize clicks”, which allows Google Ads to automatically set your bids to help get as many clicks as possible within your budget.
3. **Check** “Set a maximum cost per click bid limit” — This is the maximum amount you will pay for each click.
4. **Maximum CPC bid limit** — [Find the historical cost per click for your keywords](#) and bid 10-20% higher than the average to increase the probability of a successful bid.

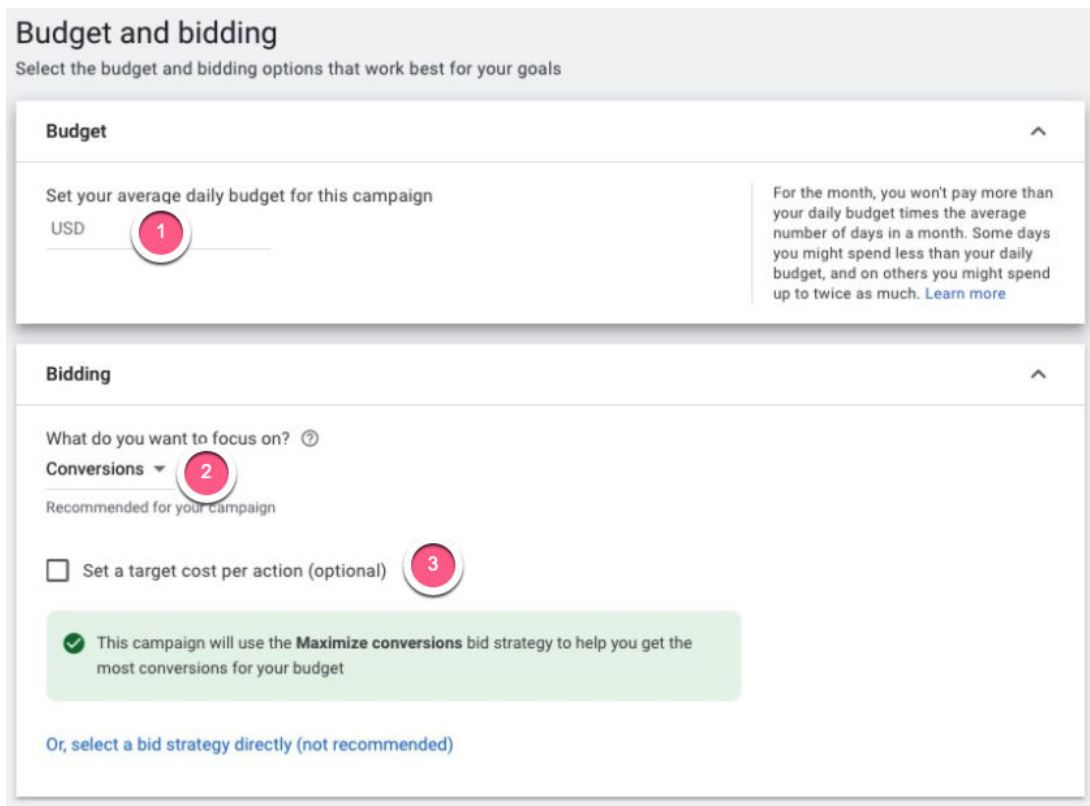
Bid Strategy for Generating Leads

Recommended for: Businesses or websites that are generating traffic from Google and are trying to get users to sign up, subscribe, or fill in a form. For example, a real estate company running Google ads to collect prospects' contact information.

Objective: To generate maximum number of leads or to acquire leads with the lowest cost per acquisition.

The priority of this bidding strategy is to show people who are more likely to convert on your website.

In Budget and bidding:



The screenshot shows the 'Budget and bidding' section of a Google Ads campaign. It is divided into two main sections: 'Budget' and 'Bidding'. In the 'Budget' section, there is a slider to set the average daily budget, with a red circle '1' highlighting the 'USD' label. A text box on the right explains that the monthly spend won't exceed the daily budget times the number of days in the month. In the 'Bidding' section, a dropdown menu is set to 'Conversions', with a red circle '2' highlighting it. Below this, there is an unchecked checkbox for 'Set a target cost per action (optional)', with a red circle '3' highlighting it. A green notification box states that the campaign will use the 'Maximize conversions' bid strategy. At the bottom, there is a link to 'Or, select a bid strategy directly (not recommended)'.

1. **Budget** —Set an appropriate daily budget for the campaign.

2. **Bid Focus** — Set the bid focus to “Conversions”. This sets the bidding strategy to “Maximize Conversions”, which allows Google Ads to automatically set your bids to help you get the most conversions within your budget.

Important: If you’re running a campaign on a new account with little (or no) conversion history data. This bidding strategy will likely fail. It’s recommended to first start with a [bidding strategy that maximizes clicks](#) to generate volume before you run a conversion based campaign.

3. **Target Cost Per Action (Optional)** — Check this to allow Google Ads to automatically bid and get as many lead conversions as possible at or below the target cost-per-action. This is recommended if you or your clients are only willing to acquire a lead within a fixed cost.

Note: If you set a target CPA and Google is NOT able to acquire a lead within the cost, Google will not spend your daily budget.

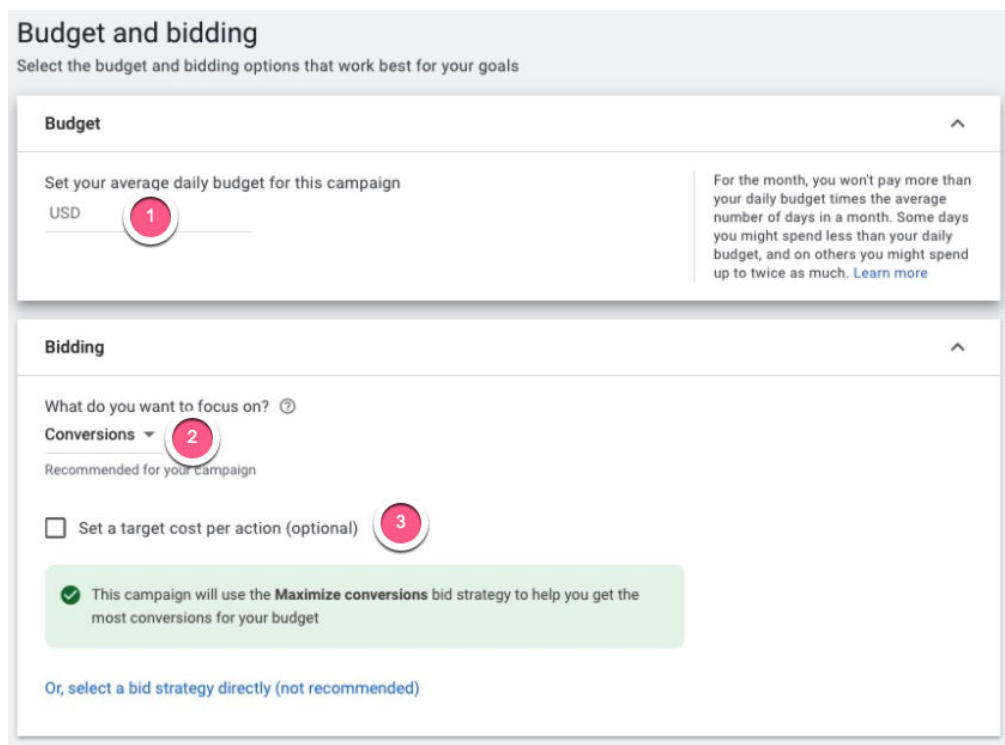
Bid Strategy for Increasing Sales and Profits

Recommended for: Businesses or websites that are generating sales (with an associated transaction value) from Google traffic. A few examples are eCommerce stores, websites that sell informational products, Software as a Service (SaaS) companies.

Objective: To increase sales volume or to generate maximum return on ad spend.

The priority of this bidding strategy is to advertise to people who are more likely to purchase on your website at a profitable acquisition cost.

Budget and bidding setting for increasing sales volume:



The screenshot shows the 'Budget and bidding' configuration interface. It is divided into two main sections: 'Budget' and 'Bidding'. In the 'Budget' section, there is a slider to set the average daily budget, with a red circle '1' highlighting the 'USD' currency selection. A text box explains that the monthly spend is limited by the daily budget multiplied by the number of days in the month. In the 'Bidding' section, a dropdown menu is set to 'Conversions', with a red circle '2' highlighting it. Below this, there is an unchecked checkbox for 'Set a target cost per action (optional)', with a red circle '3' highlighting it. A green notification box states that the campaign will use the 'Maximize conversions' bid strategy. At the bottom, there is a link to 'select a bid strategy directly (not recommended)'.

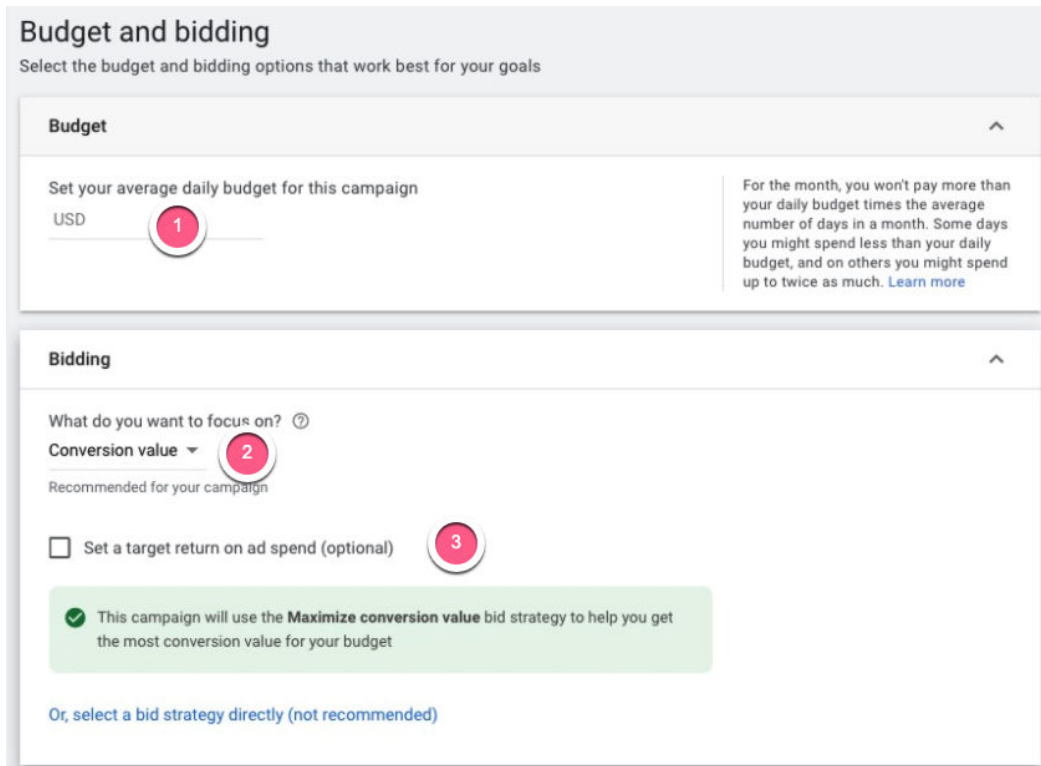
1. **Budget** —Set an appropriate daily budget for the campaign.

2. **Bid Focus** — Set the bid focus to “Conversions”. This sets the bidding strategy to “Maximize Conversions”, which allows Google Ads to automatically set your bids to help you get the most conversions within your budget.

Important: If you’re running a campaign on a new account with little (or no) conversion history data. This bidding strategy will likely fail. It’s recommended to first start with a [bidding strategy that maximizes clicks](#) to generate volume before you run a conversion based campaign (e.g. sales campaign).

3. **Target Cost Per Action (Optional)** — Check this to allow Google Ads to automatically bid and get as many lead conversions as possible at or below the target cost-per-action. This is recommended if you or your clients are only willing to acquire a lead within a fixed cost.

Budget and bidding setting for maximizing return on ad spend:



The screenshot shows the 'Budget and bidding' settings in Google Ads. It is divided into two sections: 'Budget' and 'Bidding'. In the 'Budget' section, there is a slider to set the average daily budget, with a red circle '1' highlighting the 'USD' currency selection. In the 'Bidding' section, there is a dropdown menu for 'What do you want to focus on?' with 'Conversion value' selected, highlighted by a red circle '2'. Below this, there is a checkbox for 'Set a target return on ad spend (optional)' which is unchecked, highlighted by a red circle '3'. A green notification box at the bottom states: 'This campaign will use the Maximize conversion value bid strategy to help you get the most conversion value for your budget'. A link at the bottom says 'Or, select a bid strategy directly (not recommended)'.

1. **Budget** — Set an appropriate daily budget for the campaign.

2. **Bid Focus** — Set the bid focus to “Conversion value”. This sets the bidding strategy to “Maximize Conversion Value”, which allows Google Ads to automatically set your bids to help you get the most conversion value within your budget.

Maximizing Conversion value is recommended if each conversion has a different value (e.g. eCommerce). Google will then optimize for the cumulative value for all the conversions for your campaign.

Important: If you’re running a campaign on a new account with little (or no) conversion history data. This bidding strategy will likely fail. It’s recommended to first start with a [bidding strategy that maximizes clicks](#) to generate volume before you run a conversion value based campaign.

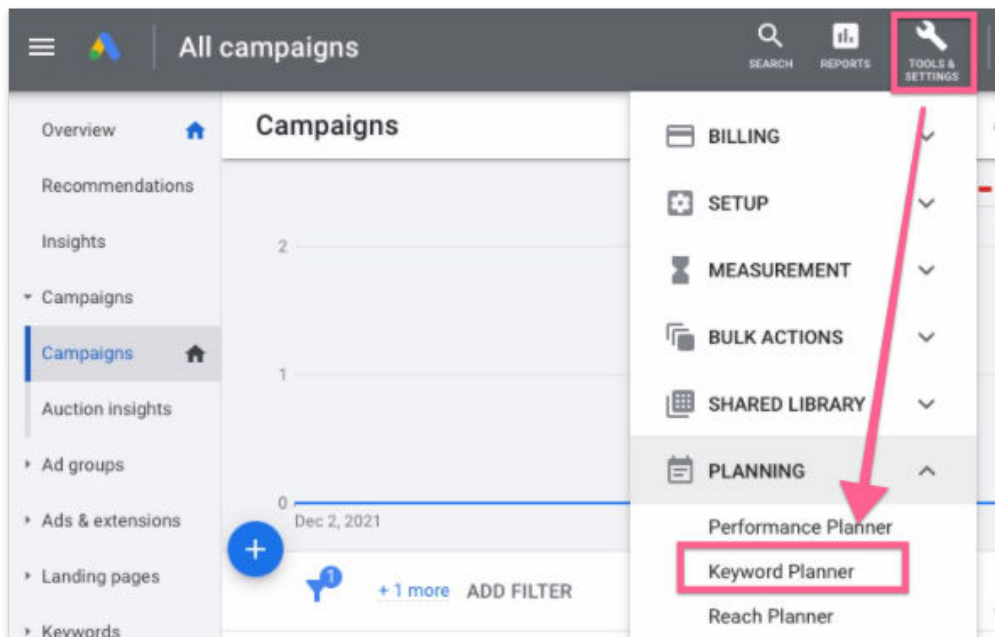
3. **Target return on ad spend in percentage (Optional)** — Check this to allow Google Ads to automatically bid and acquire customer within your target return on ad spend. This is recommended if you or your clients wish to set a performance goal for your ad budget.

Note on setting target return on ad spend: If your goal is to get an average of \$3 in sales for each \$1 you spend on ads, your target ROAS would be 300%. If Google Ads are unable to meet your target return on ad spend, they will not spend your daily ad budget.

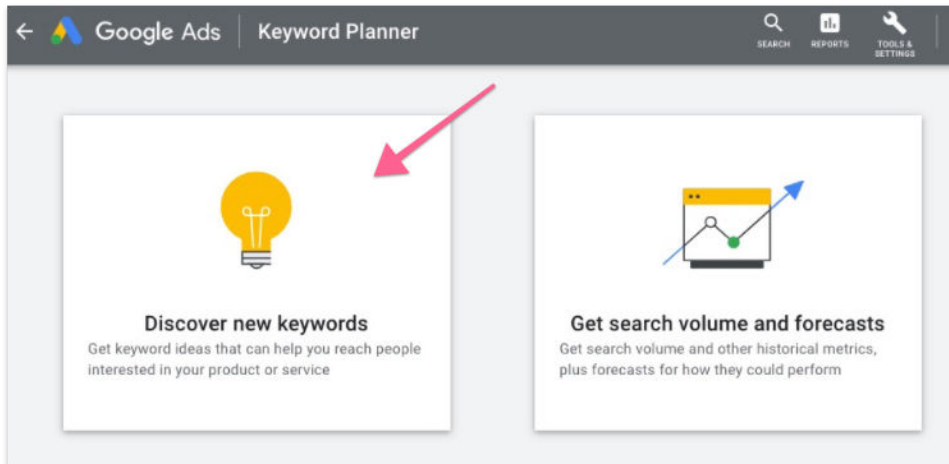
❑ Find the historical cost per click for your keywords

This step is optional unless you want to estimate and set a maximum cost per click in your bidding strategy.

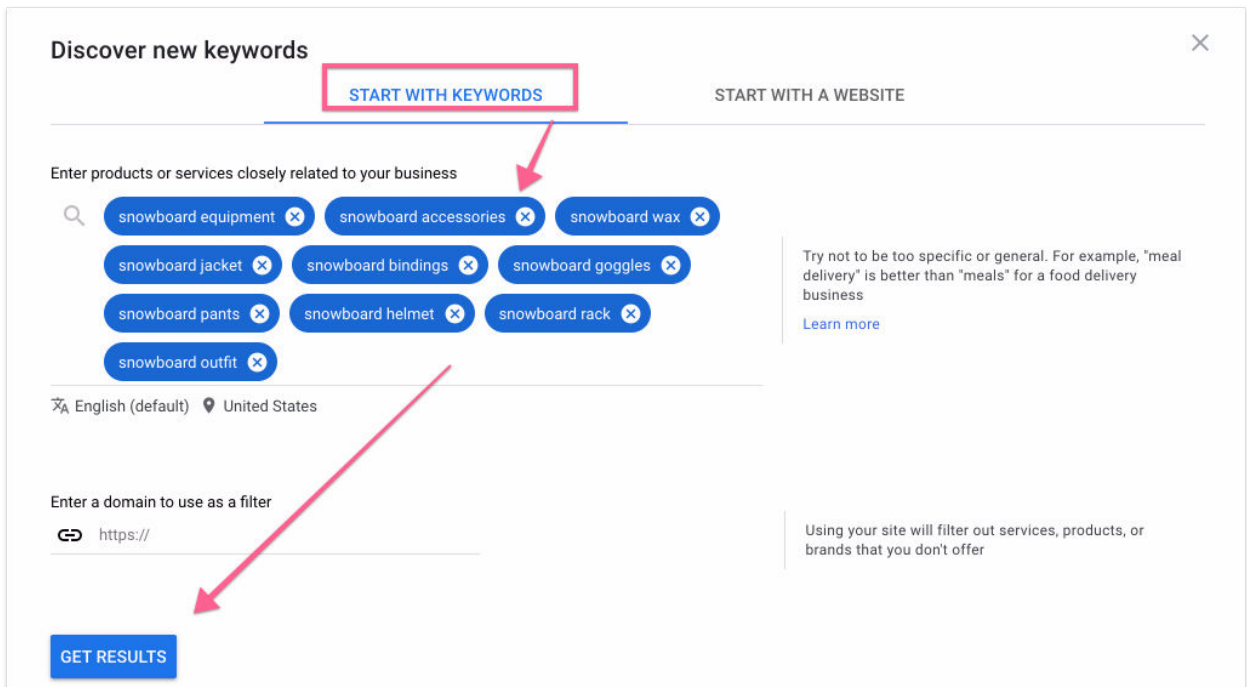
1. Head to <https://ads.google.com/> and log in to your account.
2. From the top navigation, click “Tools & Settings” and look for “Keyword Planner” under “Planning”.



3. Click “Discover new keywords”.



4. Enter up to 10 keywords related to your industry or niche.




5. Click "Get results".
6. Here you will see a list of keyword ideas available (ranked by relevance) based on the keywords you entered earlier.

Exclude adult ideas × ADD FILTER Showing 10,844 of 10,845 keyword ideas COLUMNS Keyword view

<input type="checkbox"/> Keyword	Avg. monthly searches	Three month change	YoY change	Competition
Keywords you provided				
<input type="checkbox"/> snowboard equipment	2,400	+122%	+23%	High
<input type="checkbox"/> snowboard accessories	2,400	+233%	+85%	High
<input type="checkbox"/> snowboard wax	6,600	+190%	+21%	High
<input type="checkbox"/> snowboard jacket	27,100	+174%	+49%	High
<input type="checkbox"/> snowboard bindings	27,100	+124%	+23%	High
<input type="checkbox"/> snowboard goggles	22,200	+235%	+22%	High
<input type="checkbox"/> snowboard pants	33,100	+124%	+23%	High
<input type="checkbox"/> snowboard helmet	22,200	+174%	+22%	High
<input type="checkbox"/> snowboard rack	2,400	+85%	+26%	High
<input type="checkbox"/> snowboard outfit	5,400	+238%	+52%	High

7. Look for the metric “Top of page bid (Low range)”. This is the minimum cost per click (CPC) other advertisers bid for the keyword to appear at the top of the page.

Avg. monthly searches	Three month change	YoY change	Competition	Ad impression share	Top of page bid (low range)	Top of page bid (high range)
60,500 	+22%	0%	High	—	\$0.64	\$4.98

8. You can then estimate the maximum cost per click and bid just above the average CPC for all your keywords.