## The formula for

# Ads success

# in uncertainty

A best practices guide to help marketers drive results amid continued change, and build resilience for the future





## What's inside

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## The way forward (-)

After the disruption of the last few years, we now find ourselves in a period of uncertainty. Amid this uncertainty, consumers increasingly turn to trusted channels like Search to find answers, services, and products they need. In the past month, 32% of consumers in surveyed markets are doing more research on purchases while shopping,1 and 47% have purchased at least one new brand they've never bought before.2

To best meet the moment, your marketing strategy needs to focus on delivering results now while remaining adaptable to keep pace with changing consumer behavior. The reliability of tried-andtrue advertising solutions, enhanced by new insights and automation, will prepare advertisers for what's next. We call this approach the "tried-and-new," and we have the formula to get you there.



Measure what matters. In a world full of metrics, it's important to get measurement right while putting user privacy first. A measurement foundation based on first-party and modeled data is the best way to measure and drive ad performance, deepen your customer relationships, and set the foundation for automation.



Market at the speed of consumers. Search ads continue to be a reliable way to connect with people looking for high-quality information at the right moment, yet what they search for evolves daily. Among the billions of searches on Google every day, 15% are queries we've never seen before.3 Most Google advertisers are now using automated bidding to adapt to these shifts and unlock the full potential of Search<sup>4</sup> to convert searches to sales. Digital video is also a proven way to meet consumers across the journey, from discovery to research to purchase. In the US, 87% of consumers say YouTube can help them make a purchase decision faster.<sup>5</sup>



Multiply your expertise with automation. In the current market, where consumer behavior can be unpredictable, automation is the best way to stay ahead of the curve. Our automation solutions, rooted in best-in-class machine learning technology, learn from your inputs (objectives, conversion values, ad creative) and optimize your campaign performance 24/7.

In uncertain times, it's critical for you to drive growth today, and build resilience for the future. Get started with the Ads Growth Formula to put these tried-and-new advertising solutions into practice.



VP, Global Product and Sales Activation



## The five trends we're seeing on Google search right now

Ongoing uncertainty is driving unexpected shifts and fluctuations in consumer behavior. To help advertisers navigate, we've identified five recent consumer search trends, and what marketers should do in response.

### Consumer buying journeys are longer, and omni

100% ☆ prices go down

400% ☆ store open

Increase in search terms year-over-year8

Despite rising prices, rather than completely cutting back, many consumers have opted to be more thoughtful about spending, saving, and investing in things they plan to still do.6 They're also more patient, as searches for "good time to buy" have grown globally year-over-year, and searches for "prices go down" have increased by 100%.7 And while they're still heading to stores, consumers are consolidating visits and informing those trips with digital channels.

## Consumers are creating personal budgets

60% Q

of consumers conduct research to feel more confident about their decision.

81%

of consumers have taken some action to manage costs.

Consumers are researching products beforehand to feel more confident in their purchases and are relying on price and quality to make a decision. When a large purchase needs to be made, 60% of consumers in surveyed countries say they need to conduct research to feel confident about a large purchase decision.9 And 81% have taken some action in the past month to help manage costs, by doing things like creating a personal budget.10

### Consumers are prioritizing value

+40% \$

YoY searches for "cheap and best"

53%

of consumers say they are more likely to buy for durability vs. affordable products that may need to be replaced more frequently.<sup>12</sup>

Consumers are searching for more affordable ways to indulge. It's not just what consumers are buying and searching, it's how they're prioritizing value in these uncertain times. Across surveyed countries, people say the quality of an item (46%) and deals/promotions (45%) are the most helpful things brands can communicate as they make buying decisions.11 Year-over-year searches for "designer outlet" have grown globally, as have searches for "specials this week".

### Consumers are searching with specificity and intention

+400% 

pans for cooking fish

Increase in search terms year-over-year

As consumers seek balance between managing pent-up needs and associated costs, we see indications of consciousness in how they search. Consumers are being intentional about what they search for to ensure that the information will be specific to their needs and circumstances. As an example, search interest for "best time to" has increased globally year-over-year,13 as have searches for "restaurants with vegetarian food for groups." People are also searching for topics related to everyday experiences like dining and entertainment, and are making decisions on where to spend in the process.

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### Consumers are open to switching stores and brands

47%



purchased at least one new brand they've never bought before.16

42% 四



purchased from at least one new store they've never bought from before.17

33% ≘



booked a table or placed an order from at least one new restaurant or food business they've never booked/placed with before.18

Of consumers in surveyed markets

Consumers want to make the right choices when it comes to buying, and many have become more open to trying new products, brands, businesses, and sources when making purchase decisions. To get a better price, 47% of consumers in surveyed markets have purchased at least one new brand they've never bought before.14 Additionally, 42% of consumers in surveyed markets have purchased from at least one new store they've never bought from before,15 unlocking opportunity for brands to capture new demand.

## What this means for your business

We've seen that consumers are researching more, prioritizing value, and as a result their buying journeys are longer and omni. Consumers are creating personal budgets, willing to switch brands, and relying on complex factors to make decisions.

Behavior changes like these make it challenging to anticipate demand, but consumers are still turning to Search. Although they're searching for different things, at different price points based on the value and budget-based trends we're seeing, they're still purchasing. Marketers have an opportunity to invest in proven channels like Search, combined with automated tools, to drive growth now, while building resilience for the future.

The following sections of this guide outline specific tactics and tools to help you unlock more return from your investment with our formula for Ads success.



### Hungry for more insights?

To identify real-time trends and create the most impactful digital marketing strategy, here are a few extra tools:



#### Google Ads Insights Page

**Understand category** demand as it shifts.

Understand category demand as it shifts. Discover trends and insights related to your business on the Insights page in Google Ads, located in the left menu bar. These are based on your account performance and searches across Google for the products and services you show ads for.



#### The Insights Briefing

A monthly look at changing behaviors around the globe.

Google's Global Market Insights team provides a monthly review of changing consumer behaviors and needs by analyzing billions of recent search queries to develop a deeper understanding of market trends.

A Think with Google Tool



#### **Google Trends**

Stay on top of market trends.

Google Trends is a tool that provides access to real-time search requests across Google Search, YouTube, Shopping, and Images based on a keyword or topic - to help you ask the right questions and inform business decisions.

## How businesses like yours are doubling down on tried-and-new tactics

## **DECIEM**

#### THE CHALLENGE

Disruptive skincare brand **DECIEM** played a major part in COVID self-care trends. But as competition grew and people returned to busier lives, the company was aware it would become more difficult to get and hold customer attention. While making its most efficient and tried channels work harder, DECIEM hasn't lost sight of growth as its overarching goal, and continues to invest in brand awareness.

#### THE APPROACH

Focusing on the strategies it sees as sure bets to drive results, DECIEM used Performance Max to efficiently capture demand across channels, which is increasingly important as competition rises. In parallel, the company invested in **Discovery ads** to reinforce its brand proposition.

In addition to its proven strategies, DECIEM cut through the noise with upper-funnel storytelling, using video ad sequencing to educate users about the principles and science behind DECIEM's products. These YouTube campaigns resulted in a ~8% awareness boost, as measured by Brand Lift. Views increased 15% year-on-year, and overall engagement by 6%.

#### THE RESULTS

Taken together, these full-funnel efforts are largely responsible for a 152% increase in ROAS for DECIEM's Google Ads campaigns in the past year. They've accelerated growth and set up the company to solidify its position in the market as it closes off a successful 2022.



+152% ☆



increase in ROAS from full-funnel ad campaigns in the past year

8% increase in awareness

15% increase in views

6% increase in engagement

Performance Max is a new goal-based campaign type that allows performance advertisers to access all of their Google Ads inventory from a single campaign.

## NAADAM

THE CHALLENGE

Sustainable clothing brand NAADAM has seen ripple effects from COVID's impact on people's income, and preferences. Coupled with a period of inflation, the company is preparing for both uncertainty and opportunity as it approaches its highest-volume season this winter.

THE APPROACH

NAADAM looks for ad targeting solutions that help the business increase reach without sacrificing on ROI. NAADAM approached Video action campaigns with Optimized targeting, leveraging custom audiences and in-market segments as the manual signals.

Dollar for dollar. Search is the most effective way we're acquiring customers.

Matthew Scanlan, CEO of NAADAM

Using custom intent audiences with optimized targeting helped us to scale efficiently through our most important time of year.

Jamie Ramsey, Director of Marketing, NAADAM

THE RESULTS

Optimized targeting resulted in +43% more conversions at an efficient cost (-43% CPA) during its peak shopping moments. To NAADAM, testing is the lifeblood of an efficient marketing strategy, allowing it to adjust and improve its performance as it goes. Automation helps it "cut the curve" and test more rapidly, ultimately resulting in improved ROAS especially in periods of uncertainty.

**+43% ◊** 

more conversions with Optimized targeting (Custom Audiences & In-Market Segments)

+19% ☆

overall VAC conversion rate improvement

lower CPA compared to previous period



THE CHALLENGE

Biz2Credit is an online financing platform for small businesses with technology that makes business financing easy to understand and access. With its customers reacting to economic uncertainty, and facing increased pressure from new and existing competitors, the company is seeking ways to improve campaign efficiency and generate higher-quality leads.

THE APPROACH

Biz2Credit is using Google's automated solutions to showcase the products that will be most helpful to small businesses in the current landscape. By bidding to bottom-of-funnel offline conversions, the company is reaching high-intent audiences in time and form, making its investment more efficient.

THE RESULTS

The company has seen its approvals and funded applications rise by as much as 5x and its average cost per approved application decline by as much as 30%, within just one month of using smart bidding.



increase in Approvals & Funded Applications



decrease in Cost per Approved Application



## Unlock the full potential of ads with the Google Ads **Growth Formula**

To deliver reliable results right now and build greater resilience for the future, leading marketers are using a specific set of tried-and-new tactics and solutions that unlock more return from their investment with Google Ads.

The Google Ads Growth Formula is a step-by-step guide that packages the most powerful Google advertising tactics and solutions into one simple recipe to help you better navigate uncertainty and drive stronger performance against your specific marketing goals.



I want to use Google Ads to:



## Grow high-value online sales

Help unlock profit and efficiency with the formula for Ads success.

### Set objectives

Redefine your business's overall objective to ensure your marketing, media, and campaign objectives and KPIs are working together to achieve that goal.

#### Revisit your KPIs

Regardless of how demand is impacting your category, these questions can help you redefine your KPIs to address your specific goals:

Is your topline objective sales revenue, profit, customer acquisition, or LTV?

Does growth mean more sales, or higher average order value (AOV)?

Do you need to be profitable by unit, or are you focused on broader profitability - like gaining market share and expanding to new regions?

Which channels and platforms are driving cash flow now vs in the future?

How are you balancing efficiency against your scale and volume goals? What's your desired profit goal and ROAS goal?

If you have a volume goal, which of your products or services has the greatest profit margin?

How are you factoring in your customers' lifetime value into channel performance or efficiency goals?

Think about the tradeoffs between scale and efficiency by adjusting your CPA and ROAS targets.

### Get ready

Prioritize the fundamentals – future-proof measurement and automated bidding - so you're set up to optimize for your highest-value sales.

#### **Understand your customers**

- Google tag implemented
- Enhanced conversions adopted
- DDA implemented
- Google Analytics 4 implemented

Google's machine learning system needs to know how your business defines a high-value sale before automation can optimize for more.

First, measure online conversion values and capture your first-party data by setting up sitewide tagging with the Google tag.

Once you have reliable measurement, make sure you're capturing all conversions by enabling enhanced conversions for a full, accurate performance picture and better modeling.

Then you can make better decisions with modeling across channels by switching to data-driven attribution (DDA).

Finally, consolidate platforms to bring all customer data sources together with Google Analytics 4. This becomes critical as data scales and processes get more automated.

#### Find your highest-value customers

Broad match keywords, responsive search ads, and a value-based bidding strategy like Target ROAS, adopted together

Some customers bring more value than others. With value-based bidding, the system will learn which potential customers are most valuable to you, so you can maximize for products that drive the most profit, and set different values based on your margins.



## Grow high-value online sales

Help unlock profit and efficiency with the formula for Ads success.

#### Take action

Double down on what works, and create campaigns that help deliver accelerated return on investment.

#### Capture existing demand



Search campaigns optimized



Performance Max for retail implemented

If demand is growing, flex your KPIs to become the category leader and gain share of voice while competitors are focused on their bottom line.

If you're focused on efficiency, shift your investment to Google's most profitable channels.

#### Generate new demand



Video action & Discovery implemented

If you're in growth mode, investing in demand generation will help you:

Get ahead in the market in capturing demand opportunity.

Reach and win new customers to help build up your funnel for future revenue potential.

Capture market share and build long-term brand durability.

Demand generation with Video action and Discovery, when used together, allow you to capture the branding power of Google's visual ad formats while generating incremental demand at or below their original CPA.

### **Evaluate & expand**

Improve performance, identify new opportunities, and help enable maximum growth.

#### Spend your time where it counts



**Optimization score** 



Auto-applied recommendations implemented

Respond in real-time as performance improvements are detected by automating recommendations.



## Generate high-quality leads

Help unlock profit and efficiency with the formula for Ads success.

### Set objectives

Redefine your business's overall objective to ensure your marketing, media, and campaign objectives and KPIs are working together to achieve that goal. But first, map your company's lead-to-sale journey.

#### **Revisit your KPIs**



Lead-to-sale journey mapped

Regardless of how demand is impacting your category, these questions can help you redefine KPIs to reach your specific goals:

What signals do you look for to determine lead quality/value?

How are you balancing efficiency and your lead volume goals?

What's your desired profit goal and ROAS goal?

Are you optimizing your Ads investment based on profitability?

How are you factoring in LTV into channel performance or efficiency goals?

Now, use this conversion value calculator to (re) map each stage in your lead-to-sale journey to help determine what actually affects lead quality and value, and which conversions are worth more to your business. After mapping your lead-to-sale journey, you'll choose one stage of your funnel to optimize towards with value bidding.

### Get ready

Prioritize the fundamentals - durable measurement and automated bidding - so you know what's working and can get the most out of every dollar invested.

#### **Understand your customers**

- Google tag implemented
- Offline conversions imported into Google Ads
- **Enhanced conversions adopted**
- Conversion values added to your offline actions
- **DDA** implemented
- **Google Analytics 4** implemented

What a high-quality lead is to your business (first-party data) needs to be a signal in Google's machine learning system before automation can optimize for more.

First, measure online conversion values and capture your first-party data by setting up sitewide tagging with the Google tag.

Then, connect your first-party data (e.g. data in your CRM) with Google Ads to understand who your highest-value prospects are, then use Google's machine learning to bid towards your highest-value customers. Follow the self-serve implementation platform - it'll guide you through the implementing offline conversion imports platform.

Once you have reliable measurement, make sure you're capturing all conversions by enabling enhanced conversions for a full, accurate performance picture and better modeling.

Fill in the blanks by indicating your most valuable customer actions (from the lead-to-sale journey value calculator in step 1) and their associated conversion values.

Then you can make better decisions with better modeling across channels by switching to data-driven attribution (DDA).

Consolidate platforms to bring all sources of customer data into one place with Google Analytics 4. As your data scales and your process becomes more automated, this will be even more important.

#### Find your highest-value customers



Broad match keywords, responsive search ads, and a value-based bidding strategy like Target ROAS, adopted together

Some customers bring more value than others. With value bidding, the system will learn which potential customers are most valuable to you, so you can bid towards higher-quality leads that drive the most profit and set different values based on those likely to convert to high-quality customers.



## Generate high-quality leads

Help unlock profit and efficiency with the formula for Ads success.

#### Take action

Create campaigns that can deliver accelerated return on investment.

#### Capture existing demand



Performance planner used



Search campaigns optimized

Make sure you're capturing the existing demand and not leaving opportunity on the table. Use Performance Planner to continually assess the opportunity available based on your profitability targets.

If you're in growth mode, flex your KPIs to become the category leader and gain share of voice while competitors are focused on their bottom line.

If you're focused on efficiency, shift your investment to Google's most profitable channels.

#### Generate new demand



Video action & Discovery implemented

If you're in growth mode, invest in demand generation tactics now. It will help you:

Get ahead in the market in capturing demand opportunity.

Reach and win new customers to help build up your funnel for future revenue potential.

Capture market share and build long-term brand durability.

Demand generation with Video action and Discovery, when used together, allow you to capture the branding power of Google's visual ad formats while generating incremental demand at or below their original CPA.

### Evaluate & expand

Improve performance, identify new opportunities, and help enable maximum growth.

#### Spend your time where it counts



Optimization score



Auto-applied recommendations implemented

Respond in real-time as performance improvements are detected by automating recommendations.



## Grow high-value omnichannel sales

Help unlock profit and efficiency with the formula for Ads success.

### Set objectives

Redefine your business's overall objective to ensure your marketing, media, and campaign objectives and KPIs are working together to achieve that goal.

#### Revisit your KPIs

Regardless of how demand is impacting your category, these questions can help you redefine your KPIs to address your specific goals:

Are your in-store and online sales channels growing at different rates? Are you using digital to maximize sales in each channel?

Do you need to be profitable by unit, or are you focused on broader profitability - like gaining market share and expanding to new regions?

Are retailers valuing omnichannel order types differently? (ex/ curbside)

What is the average value of a store visit and/or store sale vs. average online sale?

How much more valuable are your omnichannel customers than customers who transact in only one channel?

How are you balancing efficiency against your scale and volume goals? What's your desired profit goal and ROAS goal?

If you have a volume goal, which of your products or services has the greatest profit margin?

How are you factoring in your customers' lifetime value into channel performance or efficiency goals?

Think about the tradeoffs between scale and efficiency by adjusting your CPA and ROAS targets.

### Get ready

Prioritize the fundamentals - future-proof measurement and automated bidding - so you're set up to optimize for your highest-value in-store sales.

#### **Understand your customers**

- Google tag implemented
- **Enhanced conversions adopted**
- **DDA** implemented
- **Google Analytics 4** implemented

Google's machine learning system needs to know how your business defines a high-value sale before automation can optimize for more.

First, measure online conversion values and capture your first-party data by setting up sitewide tagging with the Google tag.

Once you have reliable measurement, make sure you're capturing all conversions by enabling enhanced conversions for a full, accurate performance picture and better modeling.

Then you can make better decisions with modeling across channels by switching to data-driven attribution (DDA).

Finally, consolidate platforms to bring all customer data sources together with Google Analytics 4. This becomes critical as data scales and processes get more automated.

#### See what each visit is worth

- Store visit eligibility confirmed
- Store visit conversion value added to your account
- **Omnichannel** ROAS goal set

The best way to understand and measure the ROI of your Google Ads is with store visits (see eligibility), which track the number of users who visited your store up to 30 days after they clicked on or engaged with your ad.

Once you're measuring store visits, find the value of each store visit to help inform insights like your omnichannel ROAS and add overall value for your store visits conversions.

Since Google Ads campaigns will drive both online and in-store conversions, make sure to measure your success with an omnichannel ROAS that combines the two together.



## Grow high-value omnichannel sales

Help unlock profit and efficiency with the formula for Ads success.

#### Take action

Double down on what works, and create campaigns that help deliver accelerated return on investment.

#### Capture existing demand

- Google My Business account linked to your Google Ads account
- Google Store Visits qualification & Store Sales Eligibility confirmed
- Google Ads campaigns optimized for in-store and online value signals
- Performance Max for store goals implemented

The key to driving store traffic from the web is letting potential customers nearby know your storefront is close by and that you have what they need. Performance Max for store goals is our latest solution to drive more traffic to your store, allowing you to reach consumers across Google's local formats (Search, Maps, Display, and more) who are most likely to visit your business, driving return on your locations.

#### Generate new demand

Video action & Discovery implemented

If you're in growth mode, investing in demand generation will help you:

Get ahead in the market in capturing demand opportunity.

Reach and win new customers to help build up your funnel for future revenue potential.

Capture market share and build long-term brand durability.

Demand generation with Video action and Discovery, when used together, allow you to capture the branding power of Google's visual ad formats while generating incremental demand at or below their original CPA.

### Evaluate & expand

Improve performance, identify new opportunities, and help enable maximum growth.

#### Spend your time where it counts

- Optimization score
- Auto-applied recommendations implemented
- Local inventory ads launched

Respond in real-time as performance improvements are detected by automating recommendations.

Showcase in-store product availability and fulfillment options, like buy online, pick up in store, or ship to store using Local inventory ads.

## Sources

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- 16. Google commissioned Ipsos Consumer Continuous, US, CA, UK, FR, DE, IT, AU, JP, IN, CN, BR, MX, ES, ZA, KR, AR, CO, BE, CL, PE, SE, NL, DK, FI, NO ~n=500-1,000 online consumers 18+ per market. Sep 8-11, 2022.
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