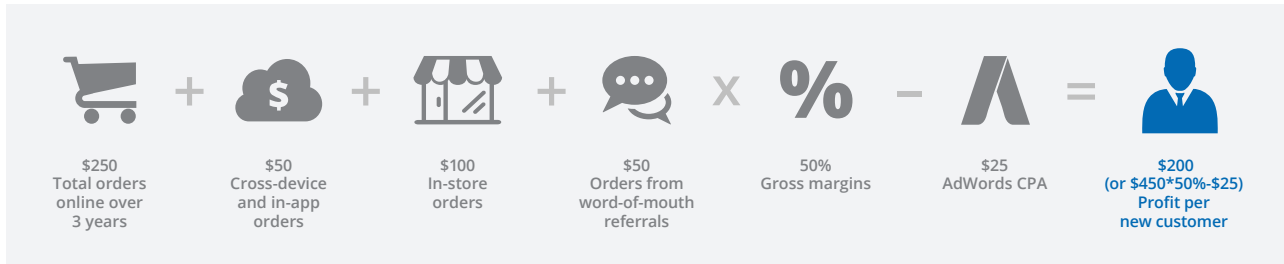


Making a Bid For Profit

Four Steps to Profit-Driven Bidding

If you want to find out more about how to manually test and scale a profit-driven bidding strategy for your account, download our guide [here](#).

- 1 Define a formula that calculates total profits from AdWords.
Why: *You need a formula to measure and optimize for profit in AdWords.*



- 2 Run a broad-scale manual bid test.
Why: *Get an edge in the auction by finding profitable bid opportunities faster than others can.*

If you're targeting a \$25 CPA for your account, change its target to \$30 to test a global bid increase of 20%. Google Internal data suggests that a bid increase of at least 20-30% helps separate results from changes due to other auction activity, such as shifts in user queries or other advertisers' bids.

- 3 Evaluate results and measure your profit.
Why: *Identify areas for improvement as you analyze results.*

Account Level	Avg Pos	Converted Clicks	CPA	Cost	Profit
Previous bid	3.9	80	\$25	\$2,000	\$16,000
Test bid	2.1	200	\$30	\$6,000	\$39,000
Last year		70	\$25	\$1,750	\$14,000

When results are more profitable, test higher bids to see if even more profits can be made. For the parts of your account that didn't increase profits, lower bids partially or completely back to the original amounts. But monitor account level performance when you're making more granular adjustments. Optimize for aggregate account profits, not individual ad group or keyword performance.

- 4 Use automation to adjust your bids.
Why: *Free up your time so that you can focus on other strategic priorities.*

Use the [Target CPA flexible bid strategy](#) in AdWords to optimize toward a \$30 CPA since your test yielded higher profits for your account at that target.